

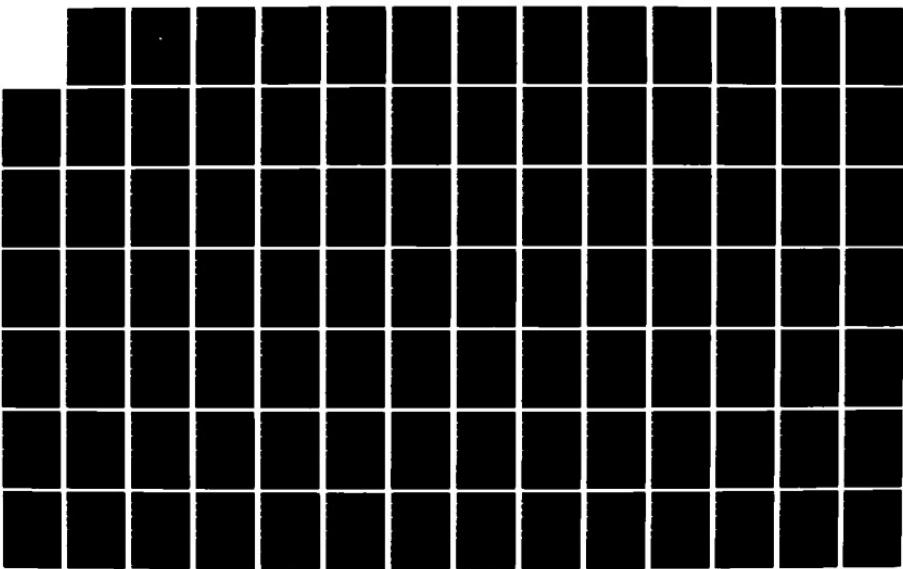
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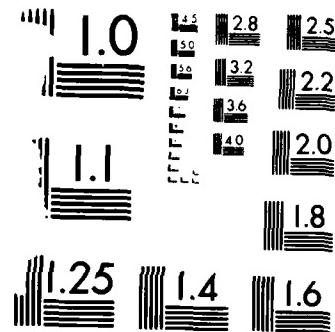
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IMPLICATIONS ON JCS BUDGET INFLUENCE

by

Robert Justin Cox

December 1985

Thesis Advisor:

Jerry L. McCaffery

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Reorganization of the Joint Chiefs of Staff:
Implications on JCS Budget Influence

by

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Lieutenant Commander, United States Navy
B.S., University of North Carolina, Chapel Hill 1975

Submitted in partial fulfillment of the
requirements for the degree of

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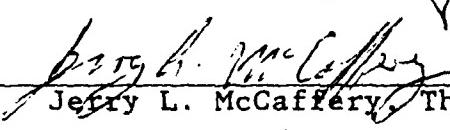
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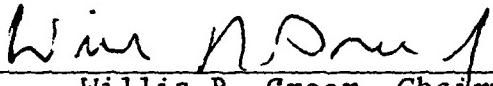
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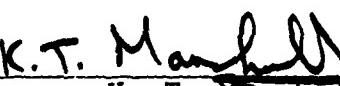

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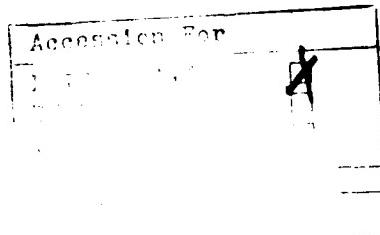

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ABSTRACT

This paper will evaluate a study conducted by the Center for Strategic and International Studies, Georgetown University, on reorganization of the Department of Defense entitled Toward A More Effective Defense. This study was published in February 1985, and discusses options available for more effective administration and operation of DOD. This thesis will evaluate the proposals presented in the CSIS study, concentrating on their impact on the influence of the Joint Chiefs of Staff in the DOD budget process.



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I. INTRODUCTION

The National Security Act of 1947 states: "The Joint Chiefs of Staff are the principal military advisors to the President, National Security Council, and the Secretary of Defense." [Ref. 1: p. 19]

These words carry with them significant weight and responsibility. They specifically designate the JCS as the principle military experts of the nation, directing them to advise the nation's current administration on our national security. These words may have possibly lost some of their meaning over the strenuous years of the life of the JCS. However, they still today carry all of the weight of law; and, the JCS' responsibility to perform their legally mandated duties should carry as much weight now as when these words were first placed into law. Certainly the problems of providing national defense have only grown more complex. The Reagan administration's recent defense spending increases have further underlined the role of JCS as providers of expert advice. Indeed, the JCS responsibility to advise on budget policy may be as important as its responsibility to advise on the policies of strategic nuclear warfare. This thesis will focus on the JCS, using the budget process as a lens to examine recent criticisms of the organization.

The budget process within the Department of Defense has long been a subject of debate, particularly disagreement, among its students. The question of JCS influence over the DOD budget has also been a question long studied and evaluated. Since their creation, the Joint Chiefs of Staff have had an institutional association with the DOD budget process. The chart in Figure 1.1 depicts this association. This chart shows an active and potentially influential role

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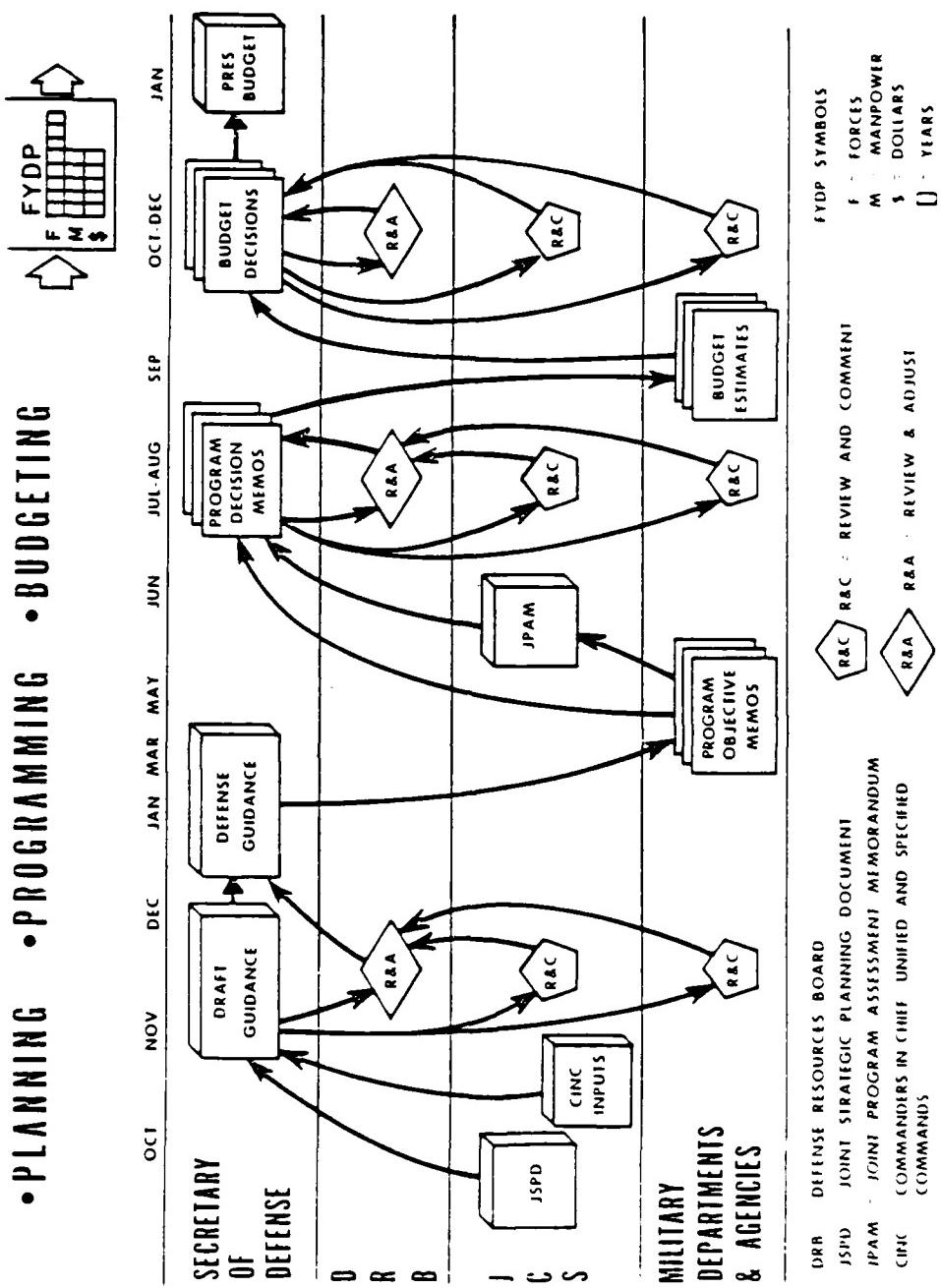


Figure 1.1 The JCS Budget Relationship

of the JCS in the budget process. The chart indicates the Joint Chiefs interact most significantly with other DOD agencies in the budget area through the Joint Strategic Planning Document (JSPD), and the Joint Program Assessment Memorandum (JPAM). Through these documents, the Joint Chiefs frame the discussion which shapes the budget.

Some, however, believe their actual impact on budget development and execution has been negligible. [Ref. 2: p. 131] It has been considered negligible in the sense that the opinions of the nation's greatest military minds are often disregarded by both SECDEF and Congress. Budget recommendations have not been adopted as submitted. In many cases they have been disregarded due to the organization's inadequacies in creating a budget product which is unusable due to apparent "non-consensus" of opinion on resource allocation, and "over-consensus" on budget levels.¹ Recommendations on budget issues suffer from over-passification of the interests of all the Services. Total agreement is sought prior to forwarding recommendations up the chain of command. The value of joint argument and debate is often lost. The fundamental problems creating this situation are structural. [Ref. 3: p. 268]

Why does the JCS organization require change? Why has so much time and energy been devoted to debate over developing a more effective JCS military advisory group? The answer to these questions possibly lies in the complexities of the organization. These complexities are generally easily identified.

There are two major objections to the present organizational system under which the JCS labors. The first is the quality of the output produced by the JCS. The

¹Non-consensus from non-agreement on which programs are worthwhile, and over-consensus from all members agreeing that each service should get the budget level they request, as opposed to joint recommendations on what is needed.

second is the institutional behavior of the JCS members resulting from its current structure. [Ref. 4: p. 534] They pose extremely difficult problems in arriving at a workable solution.

In an article on The Role of the Joint Chiefs of Staff, John G. Kester states that these two structurally-based problems stem from one single source,

"the division of the U.S. armed forces into four services in three military departments, and the consequent centrifugal pressures that division generates. Any institutional alteration which enhances the influence of the supraservice JCS will almost ipso facto threaten the interests of the individual services, and is likely to be resisted for that reason." [Ref. 5: p. 534]

According to the writers of the Center for Strategic and International Studies (CSIS) paper (expressing an opinion shared by many throughout the defense academic and professional community), even the best-structured organization cannot work effectively with unqualified people. But the converse is also true: outdated or cumbersome organizations and procedures will handicap even the most outstanding and dedicated individuals. [Ref. 6: p. 10] The structurally unsound design of the JCS organization prevents even the most astute bureaucrat from functioning effectively within the organization, and prevents the organization from being effective in its role relative to the DOD budget. These difficulties are not the result of insufficient management skills, but from the power struggle between the influences of jointness and the influences of the service. [Ref. 7: p. 537]

Historically the JCS has been ineffective in influencing the budgeting process for three major reasons:

1. Rivalries between the chiefs have been exploited by OSD - split decisions on budgeting issues among the

- chiefs gives OSD more freedom in promoting its own proposals, and dealing with unsettled issues in ways that would displease every service. [Ref. 8: p. 63]
2. Budget policy development has not involved the JCS - the use of arbitrary numbers by administration officials in designating budget levels has been completely without any JCS input. These numbers have lacked any reasonable justification for their use by the administration. [Ref. 9: p. 129]
 3. The JCS has had to balance their concern for their parent service with their concern for the national interest - they have had to maintain their service's confidence by promoting programs and policies which were financially acceptable to their service. [Ref. 10: p. 49] At the same time they have had to maintain a global view and support national interests, at times at the expense of their respective services. These decisions, to support national interests which were contrary to their service interests, cost several chiefs a great deal of influence and respect within their own service. This reduced further their effectiveness individually, and as a group, in influencing the budget process. [Ref. 11: p. 61]

In the past, the JCS has been accused of being fiscally irresponsible. [Ref. 12: p. 269] What has actually occurred is the JCS has been required to conform with national policy which is itself fiscally irresponsible. [Ref. 13: p. 73] The enormity of U.S. world wide defense commitments by definition prevents funding of these commitments within the scope of the current budget. There are too many commitments, and too few dollars. Hence, the Joint Chiefs and the Services must deal with this dilemma. They do not set national priorities, and funding levels. They must, however, work with these disproportionate requirements.

It is illogical to require the JCS to interpret the requirements of national objectives accurately and at the same time restrict them by stipulating budget levels to which they must conform. The JCS under the current system finds itself in a "Catch-22" situation. If they accurately interpret requirements to attain current national objectives, the budget will be so large (in order to support these requirements) that Congress will not fund it. If they ask for less than what they need, they are risking national security.

A military organization, such as the JCS, which represents the finest military minds the nation can produce, would normally be expected to influence the development of such an important document as the budget as one of their primary institutional duties.² Not just the "comment and discussion" of the budget which makes up the majority of the JCS budget input, but involvement in the actual draft of the President's Budget would appear to be logically implied. [Ref. 14: p. 129] However, this has not been the case since the JCS was first organized.

The CSIS proposal for reorganization of the JCS , and its potential to make substantial changes in the organization's ability to be influential in the DOD budget, is the subject of this paper. It should be noted that greater budget influence/participation was not necessarily the major focus of the CSIS proposal. It is acknowledged that there are several proposals which are not budget-related. There are organizational and structural issues proposed which may, however, have side effects resulting in more effective budget influence by the JCS. The intent of this paper is to study these proposals to determine their individual or collective ability to enhance JCS influence on the DOD budget ultimately submitted as the President's budget, as well as the final budget resolution approved by Congress.

A large number of the issues raised in the CSIS study are not new. They have been at the origin of academic and

²Influence requires more than just the submission of last year's budget plus some amount of growth (or non-growth in the case of the FY86 budget). Influence should range from severe cuts in defense spending for unneeded defense programs, to substantial increased expenditures to meet increased national objectives. The point being, if JCS, in its most qualified opinion, determines a cut or an increase in the budget is required, that opinion should carry the overwhelming majority of influence on insuring that budget is approved.

professional debate for decades. The debate over reorganization is likewise not new. Its application to current issues, however, is apparent in light of the recently published report on defense reorganization, by the staff of the Senate Armed Services Committee (SASC). On October 16, 1985, the SASC staff report was released by Senators Barry Goldwater and Sam Nunn.³ [Ref. 15: p. 3] This report also deals with a wide spectrum of reforms within DOD, again, not specifically focussing on the budget issue. However, there are several recommendations which parallel (although are not identical to) the CSIS report. The fact that this report is published at this time, and after a two year study effort, retains the reorganization debate as one which is as timely now as it has been over the past thirty years. It is a subject whose current application has always been present, and whose application will continue until the "right" defense organization is established.

Chapter two introduces a discussion of some peculiarities about the JCS organization which are germane to understanding its operation and some of the difficulties faced by those who are a part of the organization. Chapter three will focus on the position of the Chairman - Joint Chiefs of Staff and the arguments focussing on the strengthening of his role as an advisor to SECDEF the National Security Council, and the President. Chapter four explores the organization of the Office of the Secretary of Defense, and its ability to effectively interact with the JCS. In Chapter five, discussion concentrates on the interaction between Congress and JCS, and the issues focussing on the biennial budget. Chapter six discusses proposals intended to strengthen the DOD development and acquisition process. Chapter seven addresses the present and potential role of the Strategic Plans and Resource

³GPO Document Number S. PRT. 99-86

Analysis Agency (SPRAA). This chapter develops its data resources from personal interviews conducted by this writer in Washington, D.C., during the period 9-12 September, 1985. These interviews were conducted with members of the JCS organization, the Department of the Navy, the National Security Council, as well as individual staff members associated with Senate Committees. Approximately thirteen interviews were conducted, and contributed to the development of information included in this chapter.

II. THE ORGANIZATIONAL MAZE

A. WHAT THE JCS DOES BY LAW

No study of the JCS organization would be worthwhile without first understanding how the organization works. The current organization was established by the National Security Act of 1947. It was amended in 1948, and again in 1949 when the Office of the Chairman of the Joint Chiefs of Staff was created. [Ref. 16] The organization was then amended by the Defense Reorganization Act of 1958. This act brought about five significant changes.

1. It increased the authorized size of the Joint Staff from 210 to 400 officers;
2. It repealed a law that provided that the Chairman of the Joint Chiefs of Staff would have no vote;
3. It organized the unified and specified commands, separating them from the military departments, making their chain of command direct to SECDEF through the JCS;
4. It gave operational control of all combat-ready forces to the unified and specified commands;
5. It eliminated the provision in the act that the Military Departments would be administered by their own Secretaries, and gave direct organizational, and operational direction of the services to the Secretary of Defense. [Ref. 17: p. 957]

The organizational structure has remained essentially unchanged since that time. [Ref. 18: p. 3]

The United States Code Annotated - Title 10 (Armed Forces), Section 141 delineates, by article, those responsibilities the JCS is tasked to carry out:

- " a. Subject to the authority and direction of the President and the Secretary of Defense, the Joint Chiefs of Staff shall--
- (1) prepare strategic plans and provide for the strategic direction of the Armed Forces;
 - (2) prepare joint logistic plans and assign logistic responsibilities to the Armed Forces in accordance with those plans;
 - (3) establish unified commands in strategic areas;
 - (4) review the major material and personnel requirements of the Armed Forces in accordance with strategic and logistic plans;

- (5) formulate policies for the joint training of the Armed Forces;
- (6) formulate policies for coordinating the military education of members of the Armed Forces;
- (7) provide for representation of the United States on the Military Staff Committee of the United Nations in accordance with the Charter of the United Nations; and
- (8) perform such other duties as the President or the Secretary of Defense may prescribe.

b. After first informing the Secretary of Defense, a member of the Joint Chiefs of Staff may make such recommendations to Congress relating to the Department of Defense as he may consider appropriate.

All functions in the Department of Defense and its component agencies are performed under the direction, authority, and control of the Secretary of Defense and the Office of the Joint Chiefs of Staff (OJCS), the four military departments, the seven unified and specified commands, and five Defense agencies designated by the Secretary of Defense. [Ref. 19: p. 5] The Joint Chiefs are supported by the Joint Staff. The joint staff is currently managed by the Director of the Office of the Joint Chiefs of Staff. The Director receives tasking from both the Chairman and the Service Chiefs. This has been the cause of much difficulty in the past, as would be expected. It has always been difficult to work for two bosses (five bosses in this case).

There are three basic characteristics of the JCS system which must be recognized to understand and evaluate this organization. [Ref. 20: p. 12] These characteristics are derived from the tasking of the JCS in the National Security Act.

1. It is a committee system;
2. It is a coordinating system;
3. It is an advisory, not a decision making system.⁴

⁴Note: This third characteristic can be misleading. The JCS obviously makes decisions concerning recommendations to SECDEF, NSC etc. However, these are decisions/recommendations in an advisory role.

The JCS is a committee of services. They must rely upon compromise in order to perform their assigned missions. The committee system exacerbates the problems of compromise. The compromises the committee seeks are generally not of joint compromise, but of self-protecting compromise to prevent loss of one's own programs. This problem is at the heart of the JCS dilemma. [Ref. 21: p. 12] As stated in the Blue Ribbon Report,

"So long as the JCS remains a committee system, it will invariably operate on a basis of negotiated compromise, especially in matters where Service interests are at stake. Unless the committee system is changed, this fact of life should be accepted and ways sought to work around it or to mitigate those of its effects which are pernicious." [Ref. 22: p. 3]

The JCS coordinates the debate of issues effecting national security, as well as the joint training requirements of the services. These issues may be acted on by the Joint Chiefs, or by the joint staff, depending upon the significance of the issue.

The third characteristic is one which has seemingly been taken for granted. The JCS is to advise those in authority above them on issues involving national security. This advice encompasses force levels, strategic planning, as well as resource allocation and fiscal planning. In a pure sense, this is the bread and butter of their existence.

B. THE PAPER CHASE

When first considering the JCS, it would appear that no one, no matter how adept at bureaucratic processes, could possibly follow the stops, loopholes, floor traps and green flimsy purple buffs that are a part of the normal flow process of the JCS paper work organization. All organizations run on paper, and the JCS is no exception.

The flow of paper through the JCS organization has long been one of the major faults of the system. When the CSIS

study was published, the paper work process within JCS was well known and highly criticized. It has since been changed. Historically, the paper process was slow and produced a watered-down product. This familiar paper flow is described in the following paragraphs. Although changed, some of its elements remain in the present system (discussed in the latter part of this section). The following paragraphs describe the system as it worked in the past.

The people who perform the primary work for the joint staff are Action Officers (AO's). Policy issue papers are prepared by them. They insure that the issue papers are sent through the paper mill stages beginning with the first draft or "buff". The buff becomes a "flimsy" as it progresses up through the review process and will become a "green" after several revisions. If there is a major objection to the paper, by any service, the green becomes a "purple", and eventually ends up as a "red stripe" memorandum which is presented to the secretary of defense. [Ref. 23: p. 28]

The AO's of the Joint Staff spend countless hours pushing these issue papers through the system. This process requires a great deal of overtime and weekend work. [Ref. 24: p. 35] The majority of the overtime stems from staffing the flimsies and buffs from staff office to staff office and the various subdivisions. Sitting and waiting for comments until midnight on week nights, or until noon on Sundays is not uncommon. This time expenditure results from each service attempting to protect their own interests as the paper approaches final resolution. [Ref. 25: p. 35]

Action officers and service planners all attempt to reduce controversy during this process by developing wording in the paper which is acceptable to other staff members. This process leads to the unfortunate situation of many issues, which should be resolved at the working level,

being, instead, diluted more and more the farther up the organization it proceeds. This not only prevents rapid resolution of issues, but it intensifies the diluted product finally presented to the JCS members to act on. [Ref. 26: p. 13]

This paper maze allows each service to comment on an issue paper at each stage of its routing. This creates an enormous time requirement in sending an issue from its inception (first draft) to the time it is actually presented to the JCS. Although there are still a great number of issues handled and agreed upon by the joint staff,⁵ on issues which are of major significance to the country, requiring JCS decision/recommendation, the process is extremely time consuming. [Ref. 27: p. 17]

What is not obvious in this process, is the method by which an issue paper is actually processed. The AO will write the draft and present it to all of the services. If all are not in complete agreement with its wording, the AO takes the paper, and rewrites it until all Services do agree. This iterative process can occur more than once. Once agreement is reached at the AO level, the AO then presents it to the program director (usually an O-6). If the O-6 does not approve of its wording, the process starts all over again. [Ref. 28] At each level, all of the Services get an opportunity to word-smith the paper. This process is the harbinger of "oatmeally" watered-down wording which looks like a paper that tip-toes through the issues, as opposed to a reflection of strong substantive agreement or debate.

⁵The Blue Ribbon Panel concluded that approximately 12.5 percent of the issues considered by the JCS organization were addressed by the Joint Chiefs; the rest being decided on by the lower echelons within the organization.

For years, this process has been the hallmark of non-decision and has spawned harsh criticism of the JCS organization. This process, however, no longer exists in this form. Memorandum of Procedures-132 (MOP-132) approved in July 1985, now directs that papers will be pushed through the paper process as written by the Action Officer. [Ref. 29] Action Officers will still assemble the AO's from the various Services and discuss the issue prior to writing his first draft. Now, however, when the first draft is submitted to the O-6, he will have two options. If he agrees with the paper, he approves it. If he does not, he does not require it to be rewritten. Instead, he now attaches a dissenting view to the paper and forwards it on to the next individual. All of the Services may now attach a dissenting view and then bump it on up the Chain of Command. [Ref. 30]

This process now records the debate on the issue as opposed to writing a paper which presents no debate. The dissenting views are now available to the various echelons of review, resulting in a more clear understanding of the issues involved, and a more worthwhile discussion. Additionally, the time requirements for processing a paper are significantly reduced. Although there is no guarantee that all papers submitted will be totally free of the problems in the old system, the potential for those same problems is far reduced, if not almost totally eliminated.

C. HOW ONE GETS ASSIGNED AS A JCS MEMBER

The question of preparation of a JCS member for a JCS assignment arises with good reason. An individual assigned a position of great responsibility, would normally be expected to be well versed in the environment in which he will be assigned. It would be expected that SECDEF would see great value and certainly promote the idea of a JCS member having significant background and personal experience

in the JCS organization. It would likewise appear logical that one if not two tours of assignment within the organization would be a prerequisite to assignment as a Service Chief.

In the case of the Joint Chiefs, however, this policy has not been followed. The four services do not prepare officers to assume the responsibilities they will face as a JCS member. [Ref. 31: p. 9] It is interesting to note, however, that the National Security Act specifically states that SECDEF, for his own staff, will insure that officers assigned to him will be assured that their assignment to the agencies of the Secretary of Defense may afford an opportunity of important advancement in their careers. It specifically directs the Service Secretaries to insure that selection boards weight equally, assignments within the Office of the Secretary of Defense with those of assignment in the military Service staff. There is no such specific provision in "looking out for" the officers serving with the JCS. [Ref. 32: pp. 52-53]

Quoting General David C. Jones (CJCS 1978-1982),

"In my view, the basic causes of our most serious deficiencies can be divided into two categories: personnel and organization. There is inadequate cross-service and joint experience in our military, from the top down. The incentives and rewards for seeking such experience are virtually non-existent. And the problem is compounded by the high degree of turbulence in key positions." [Ref. 33: p. 9]

There are some inherent problems, however, in the system which makes it even more difficult for the services to cultivate individuals for future assignment to the JCS organization. These limitations are a direct result of the National Security Act of 1947. The act not only limits the number of officers that can make up the joint staff at any one time, it also provides limits on the frequency of rotation in reassigning an individual to the joint staff after having finished a tour of duty there.

Specifically, the NSA restricts the tour of duty for joint staff members to three years. Having completed a tour there, an officer may not be reassigned to the joint staff until having completed at least a three year tour elsewhere. [Ref. 34: p. 20] There is a provision that a limited number of officers (30) may be reassigned to the joint staff within the three year time frame. However, this number must be divided between the four services, limiting them to essentially seven officers who can maintain the "corporate knowledge" of the joint staff's work. This in effect prevents all services from developing officers who will have significant expertise in the joint arena. Officers can always be assigned to other joint staffs (such as CINCEUR), and continue their joint development. However, this is still a less desirable alternative than continued JCS experience.

The Blue Ribbon Report points out that the JCS organization does not possess personnel with continuous memory of past operations (beyond the last three years) as do most civilian organizations. This lack of corporate memory cannot be replaced by historical records. The operational pace of the joint staff arena will not permit it. [Ref. 35: p. 35] The JCS, therefore, again has its hands tied by the law which created it.

One of the major recommendations of the October 1985 SASC staff report is for the establishment, within each Service, of a joint duty career specialty. [Ref. 36: p. 47] This would, for the first time, provide for career preparation within the joint field, by officers in each Service. Presently, some Services (such as the Army) are more prone to send individuals to joint tours and nurture development in this area than others (although this development is still considerably below what would be desirable). The SASC staff report provides for making this

a separate career specialty which an individual could prepare for and be promotable in.

The legal restrictions on assignment to the joint staff are only a part of the problem. The perception of those assigned to the joint staff, as well as those not assigned to it, is that it is a tour that should be avoided if possible. The potential career disabilities which could result from such a tour are too great to encourage second assignments. Most will do anything possible to prevent their assignment to the joint staff, and will avoid, at all costs, a second tour. This feeling is not one felt only by the lower echelon officers, but expressed by senior officers from Brigadier Generals up. [Ref. 37: p. 36]

Career disabilities are perceived from "not staying within the normal career pattern" (which does not include a joint staff tour in any service). In addition, the potential for falling out of favor with your service over political issues is too great to warrant the risk.

D. WHAT IT ALL MEANS

The JCS, then, is faced with restrictions in its legal charter, the problems associated with a decision-making process involving a committee system, and a lack of experience in joint staffs by the JCS member.

The structure of the organization is not only cumbersome, it promotes undesirable issues of service loyalty by its design. This issue will continue to be discussed in more detail later. But, it should be clear at this point, that the JCS organization encourages protectionism of service views, as opposed to promoting healthy joint discussion/decision/recommendation.

A word of caution before proceeding with the proposals. Inherent in the CSIS proposal, is the requirement to view the proposals as a whole rather than piecemeal. Just as a new engineering technology to produce widgets may require

several parts moving in synchronization with each other, so do these proposals suggest a new approach to the JCS organization through the unified interaction of these changes. The reader should, however, approach the proposals both individually and collectively. The effects of the proposals collectively should be judged for possible loss through combined interaction, or resultant synergy from cooperating components.

III. JOINT MILITARY STRUCTURES

A. OVERVIEW

Throughout the life of the JCS, the joint military structure has received a great deal of study from within the military establishment, as well as from those outside the walls of the Pentagon. There has been an enormous amount of rhetoric which supports significant organizational change beginning with the Chairman (CJCS) himself. It is hard to conceive that a change in just one aspect of the joint structure (strengthening the CJCS position) could bring relief to the multitude of problems the organization faces.

This one aspect, however, has received more debate than any other single issue this writer has observed. As will be seen, it will likewise receive the major emphasis in this chapter. The enormity of the debate itself establishes the CJCS as the keyholder for perception of the organization from the outside, as well as functioning, or lack of, within the organization.

The CSIS proposal states their opinion for changing the joint structure as follows:

"In our view, there are compelling reasons to develop stronger joint military organizations capable of acting from a cross-service perspective to integrate the special requirements of air, land, sea, and space operations. This strengthened joint military structure would have three primary functions: (1) to provide cross-service military advice to civilian leaders, (2) to develop strategic plans that link military capabilities to national objectives, and (3) to plan and conduct combined-arms military operations. Current joint structures do not lend themselves to the effective execution of any of these crucial functions."

B. PROPOSAL 1: A SINGLE MILITARY ADVISOR

The first proposal in this area of joint military structures, suggested by the CSIS study, focuses directly on

the Chairman of the Joint Chiefs of Staff. The CSIS study recommends his role be modified to achieve greater joint perspectives as follows:

"The National Security Act (NSA) should be amended to designate the Chairman as the principal military adviser to the President, the secretary of defense and the National Security Council, replacing the corporate JCS in that role. The Chairman must also be given the staff support necessary to carry out that role effectively. Service Chiefs should continue to provide advice to the Chairman and Service Secretaries on all issues, and to the Secretary of Defense and the President on issues of crucial importance, but the Chairman should have a unique position as the individual who presents the integrated, professional military perspective on all questions."

Four specific changes are recommended:

1. Establish the role of the Chairman-JCS as the principal military advisor: the intent is to ensure civilian leaders have an additional military perspective not tied directly to the individual services
2. Supplement Service Advice: supplement service-based advice with cross-service perspective provided by the Chairman. To ensure that individual service viewpoints continue to be well represented throughout the decision process, two safeguards are proposed:
 - a) In formulating joint positions, the Chairman should be required to consult fully with the other members of the JCS.
 - b) On issues of crucial national importance, the Chairman should be required to provide civilian leaders with the individual positions of the chiefs to the extent that they differ from the Chairman's recommendation.
3. Joint Staff-amend the NSA to provide for the joint staff to report directly to the Chairman as opposed to JCS as a corporate body. Chairman should manage the staff independent of JCS.

4. Deputy Chairman-a four-star general or flag officer chosen from a different service than the Chairman, would act in Chairman's stead, and be the director of the staff.

1. The Chairman as the Primary Military Advisor

The proposal to designate CJCS as the principal advisor to the President, SECDEF and the NSC, has generated a great deal of literature both supporting and opposing the idea. This is to be expected as its implementation would severely diverge from the current structure in which the advice of all of the Service Chiefs is heard in conjunction with that of the Chairman.

The major argument against such a proposal originates in the fear of filtering important issues and topics, and preventing them from being reviewed by the civilian side of DOD (namely SECDEF) and Congress. General Robert H. Barrow, former Commandant of the Marine Corps, expressed an opinion as follows:

"Any arrangement with a Chairman serving as the principal military advisor and having control of the Joint Staff, regardless of any disclaimers to the contrary, is essentially a Supreme Chief of Staff-General Staff System."

He continues by saying,

"Such a system would isolate from the civilian leadership the most expert military advice—that of the JCS, including the four Chiefs of Service. The arrangement would prevent the development of legitimate alternatives that should be presented to appropriate civilian authority for decision."

⁶This system is expressly forbidden by the National Security Act

⁷Marine Corps Gazette, September 1982

This opinion is strongly supported by another distinguished Marine General, General Louis H. Wilson, also former Commandant of the Marine Corps, when he addressed the issue saying,

"Analysis of existing legislation concerning the current organization thus shows that the establishment of a single chief of staff is prohibited because such concentration of power in one military man would violate the traditional principle of civilian control over the military now exercised through the Secretary of Defense and rival the Presidential power as Commander-in-Chief. In addition, such a powerful individual could prevent minority and majority views on military problems from reaching the Secretary of Defense, the National Security Council, or the President, thus precluding the most intelligent and sound decisions."

Some authors go even farther in their disaffection for this proposal by proposing the elimination of the position of the Chairman of the JCS completely. In his recent book on DOD organization, Victor H. Krulak, Lieutenant General, USMC (Ret), strongly advocates elimination of the Chairman's position. He states,

"The very existence of the Chairman, in his present role, degrades the Joint Chiefs as a corporate military body and diminishes their usefulness to the nation. That usefulness will be degraded further should current proposals for additional enhancement of the Chairman's authority be translated into law." [Ref. 38: p. 125]

While he strongly advocates the concept of the JCS organization, and that the case for its existence is well-made, he argues that the case for the existence of the Chairman has not been made in the thirty-six year life of the organization. [Ref. 39: p. 125]

These opinions are further joined by the staff writers of the Senate Armed Services Committee in their defense reorganization report inwhich they call for the complete disbanding of the JCS organization as it is now

^{*}Marine Corps Gazette, September 1982

established. Quoting the Armed Forces Journal (October 1985) summary of the staff report, the staff's specific recommendation was to "Diseestablish the Joint Chiefs of Staff, and thereby, permit the Service Chiefs to dedicate all their time to Service duties." [Ref. 40: p. 47]

These opinions are well stated, and constitutionally based, however there is also a great deal of support for the counter proposal of making the CJCS the primary advisor to SECDEF, NSC and the President. The CSIS study argues that all JCS members are faced with an inherent conflict between their service responsibilities and loyalties, and those of their primary assignment on the JCS staff.

The members of the JCS organization, performing functions as the senior military advisory group for the nation, must provide that advice from a position which transcends individual service concerns. Although this would seem obvious or naturally expected on the surface, as stated in the CSIS study, carrying it out is not easy.

The JCS, due to its committee system, requires all services to approve of, or comment on, each issue which comes before it. This essentially provides a veto power by each service over the other services. The strong incentives to protect their own service programs inherently prevents a JCS member from vetoing another's program for fear of retaliation against his own programs.

The CSIS study continues to point out that the National Security Act of 1947 specifically states that the Service Chief's joint role should take precedence over his duties as leader of a Service. The fear of retaliation from other services makes this responsibility difficult at best.

These characteristics are not the only significant road blocks to the functioning of the organization. A JCS member's professional performance is highly imbedded in the support he gives his service while a JCS member. If the

parent service views his performance as contrary to service objectives, his chances of promotion are potentially greatly reduced.

To say that the JCS member never goes against his parent service opinions or advice would be naive. However, to do so more than only very seldom would be suicidal for his current assignment, and for future promotion. Differing too often, or on fundamental issues, will result in the loss of confidence by his own service, and loss of support by his service which is essential to being effective as a JCS member. [Ref. 41: p. 11]

For these and many other reasons, General Jones argues very strongly for the strengthening of the Chairman's position. He argues that expecting the Service Chiefs to support a position as service advocates when dealing with their own services, and then expecting them to take a totally differing position in their joint assignment is unreasonable. By making the Chairman the primary advisor, this dilemma would be removed from the Joint Chiefs by not allowing them to address it as a body. [Ref. 42: p. 12]

In his report to the President, The National Military Command Center, Richard C. Steadman argues that a strengthened position of the Chairman would further help to deal with the issues of resource allocation and constrained force structure. He supports the contention that these issues cannot be effectively dealt with under the current dual role of a Joint Chief. [Ref. 43: p. 65]

Mr. Steadman further argues that increasing the Chairman's role,⁹ would increase the quality of the views on budget issues in the PPBS expressed by the Commanders in Chief (CINC's-which are joint commands). Although the

⁹Mr. Steadman proposes that the CINC's provide their budget requests directly to the CJCS who would adjudicate differences if required. This would afford the CINC's a more representative voice with the CJCS they do not currently possess.

CINC's currently provide input to the budget process, the majority of the input is left to the individual Service Chiefs who consider only the portion of the budget that pertains to their service, lacking a joint perspective. [Ref. 44: p. 67]

Morton Halperin supports the CSIS proposal by arguing for the strengthening of the CJCS position, making him the principal military advisor, in conjunction with the complete separation of the joint staff from the Service Chiefs. In his book, National Security Policy-Making, he states that the majority of the work on issues presented to the Service Chiefs on joint issues is performed and presented by the service staff instead of the joint staff. It therefore reflects the views of the service as opposed to the joint staff, making the joint staff work not only redundant, but completely non-influential. [Ref. 45: p. 151]

Mr. Halperin argues that this proposal will leave the Chairman and the joint staff free from the two-hatted influence of the service/joint dilemma, allowing them to develop joint positions to be presented to SECDEF and the President. He contends this proposal will result not in the filtering of information to the President, but instead in increased imagination and innovation. The President would now receive the non-prejudiced views of the Chairman, as well as the individual service chief opinions creating a wider spectrum of opinions than is now presented. [Ref. 46: p. 152]

General Jones sums up the argument when he says,

"Without a stronger role . . . for the Chairman, the work of the Joint Chiefs is likely to remain too dispersed, diluted, and diffused to provide the best possible military advice or to insure the full capability of our combatant forces." [Ref. 47: p. 13]

2. Supplementing Service Advice

The primary resistance to the designation of a single military advisor has centered around the restriction of information, from the services and the Joint Chiefs, to higher authority. The CSIS proposal addresses this long-standing fear by eliminating the problem.

Under the CSIS proposal the Chairman would be required to consult fully with the other members of the JCS as he now does. This in itself is not a departure from current practice. However, on issues of significant national importance, he would be required to provide civilian leaders with the positions of the service chiefs, addressing those areas where they differ from the Chairman's.

As can be seen from the arguments, previously presented opposing the Chairman's position as the principal military advisor, insuring the flow of opposing viewpoints from the Service Chiefs would alleviate the fear of stifling potentially important dissenting views. This would support Mr. Halperin's opinion that an increased spectrum of viewpoints would now potentially be possible to be considered by SECDEF, NSC and the President, as opposed to the limited views currently expressed.

3. Placing the Joint Staff Under CJCS, Assisted by a Deputy

Under the third and fourth CSIS proposals, the joint staff would be separated from the Service Chiefs, working directly for the Chairman, and be managed by a four-star Deputy. One of the major arguments in the past against such a proposal originates from the fear of giving the Deputy a voting position as a member of the JCS. This would result in a loss in voting strength by the services on certain issues. The Chairman is normally the tie-breaker on issues where split decisions (tie votes) result. With the Navy and Marine Corps generally voting together on most issues, a

voting block against them by the Air Force and the Army can only be broken by the Chairman. [Ref. 48: p. 29] With a deputy being designated as a voting member, this could potentially increase the power base against the Navy/Marine coalition affording them the most to loose if the position is created. This would create a very "unsettling" atmosphere in the current power relationships.¹⁰ [Ref. 49: p. 29]

The CSIS proposal, however does not allow for the deputy to be a voting member. His primary role would be to insure continuity in the direction of the staff both in long term goals and daily operations. Under the direction of the Deputy , the joint staff would not be menaced by the desires of the Chairman/Deputy and the Service Chiefs, now in effect. They would instead have only one task-master- the Deputy, under the direction of the Chairman.

As stated earlier by Mr. Halperin, the majority of the work for a Service Chief when addressing joint issues, is performed by the service staff as opposed to the joint staff. This can be seen when the membership of the service and joint staffs are compared. For each joint staff member working on a particular issue, there is estimated to be thirty service staff members working on that same issue. [Ref. 50: p. 28]

In the past, not only was the recommendation on the issue presented to the Service Chief likely to be more highly researched, it was totally influenced by the individual service perspective. The very nature of the paper process within the organization resulted in action officers seeking the lowest common denominator, the most agreeable language on which all services would agree. Additionally, the higher the paper progressed up the

¹⁰This would, of course, not be a problem if either the CJCS or the Deputy-OJCS were a Navy/Marine Corps officer.

organizational ladder, the more political it became, as opposed to maintaining a purely military perspective. Once in the hands of the JCS, the paper was so diluted, that the Joint Chiefs' decisions appeared indecisive and oatmealy. [Ref. 51: p. 22] Although this situation has existed in the past, it is not expected to be the significant problem in the future that it was. This is mostly attributable to the more effective paper process. [Ref. 52]

The Chairman, is virtually the only individual within the JCS organization who is interested in the organization functioning in a "joint" manner. The services all have a vested interest in the organization being ineffective as a joint staff. [Ref. 53: p. 537] Although the action officer writes the first draft setting the general tone of the paper, he may still rely heavily on his own service inputs on how it should be written. Hence, again, the service perspective as opposed to joint dialogue. [Ref. 54: p. 18]

C. PROPOSAL 2: ADJUSTING JOINT MILITARY STRUCTURES

The second proposal dealing with adjusting the joint military structure, focusses on the function of the Chairman and his staff. The Chairman, with assistance of the joint staff should prepare force planning recommendations constrained by realistic projections of future resources, based on policy and fiscal guidance issued by the Secretary of Defense.

If inadequate policy guidance is issued within the DOD, subordinate commanders must look for their own guidance in developing their budget inputs. In dealing with force planning, accurate policy direction is a prerequisite in forming the basis for military planning, and from which the DOD programs and budget are derived. [Ref. 55: p. 42]

There are four major phases involved in force planning:

1. Determination of national objectives;
2. Determination of military objectives;

3. Preparation of an objective force;
4. Application of fiscal constraints to the objective force to derive the attainable force.

The JCS contributes to all of these phases. [Ref. 56: p. 25]

As established in the CSIS report, the major input provided by the JCS to the budget process is the Joint Strategic Planning Document (JSPD). The annual planning cycle within DOD starts with issuance of this document. This document has normally been constructed without significant fiscal constraint. The force structure recommended is one which assures national security, however, it is one which Congress is not willing to support. As a result, it has received unfavorable attention, although it is still the planning ruler by which risks inherent in the alternative force structures, eventually decided upon, can be assessed.

The CSIS report points out that this publication does not assess priorities, or trade-offs necessary for achieving a budget within the limitations of the likely funding levels approved by Congress. In this way, it can only be of limited use to SECDEF in allocating defense resources.

The Chairman would be tasked, under the CSIS proposal, with developing an additional JSPD which details the priorities, and optimal combination of defense resources to meet the expected budget limitations. SECDEF must currently rely upon his civilian staff (instead of the military expertise of the JCS) to make these resource allocation decisions. Tasking the Chairman with this responsibility allows a cross-service input into this document which is currently not there, and which cannot be achieved under the current forum.

The major effect of the JSPD is designed to be the Defense Guidance which is SECDEF's annual statement on force structure, policy, strategy, and most important, fiscal

guidance. [Ref. 57: p. 7] It is this document from which the respective services will design and propose their Program Objective Memorandum (POM), which will later result in their input to the defense budget. [Ref. 58: p. 7]

Through an ineffective input (currently experienced) resulting from an indecisive JSPD, SECDEF is left to make these policy decisions himself with only the help of his own staff. Solid military advice will not necessarily be utilized in these decisions. Given a worthwhile input on the JSPD from CJCS, SECDEF would be better able to guide the services in the most appropriate program design in developing their budgets.

Lawrence B. Tatum describes the current system by saying,

"The present JCS planning process operates to achieve unanimous military agreement. Until the present accommodation (wording of issue papers to appease all services) philosophy is changed, the military voice in defense policy formulation will continue to be weak. If, to attain quality military advice, unity on JCS papers must be sacrificed, perhaps the sacrifice is worth making. The civilian in any case is going to play a major role in defense policy formulation . . . He is going to continue playing an inordinately large role, however, as long as achievement of consensus is the force guiding military strategists." [Ref. 59: p. 386]

Mr. Tatum continues by saying,

"The attempt to formulate a single military point of view on strategy-through the JCS planning process-has failed. The danger is that planning-theorizing about war-may be done mostly by people having no relevant knowledge of combat or of field preparation for various modes of combat . . . Until we learn that, on most defense policy issues, a single "military" position cannot be attained without unacceptable reduction of quality, the input of a thousand modern Napoleons into the Pentagon will make very little difference, and defense policy formulation will remain the primary domain of the civilian." [Ref. 60: p. 392]

D. PROPOSAL 3: THE UNIFIED AND SPECIFIED COMMANDS

The last proposal dealing with the joint military structure discusses the unified and specified commands. The unified and specified commanders should be given a stronger institutional role in the resource allocation process and greater authority over their component commands. Specifically:

1. A separate program and budget should be established to cover the in-theater operational costs of the unified and specified commands;
2. The Chairman should replace the corporate JCS as the transmitter of orders from civilian authorities to the CINC's;
3. The CINC's should be given greater operational authority over their component commands.

These three proposals will be considered as a group. The major result of the proposals as they relate to JCS budget influence will probably be derived from the granting to the CINC's greater control and authority over resource allocation. Through greater control over resources, the CINC's may experience greater efficiency in the utilization of funds. Any greater efficiency attained may have potential in cost savings. If cost savings result, the argument for the armed forces will potentially be improved. Although these statements rely upon several "ifs", the overall argument has merit.

There is a trend to allow greater input by the CINC's to the budget process. Recently, they have provided comments to SECDEF on the drafting of the Defense Guidance as well as providing input to the Defense Resources Board (DRB) on issues developed in the POM. [Ref. 61: p. 8] However, these inputs are seen as having only a minor effect on budget decisions, and more significant steps are still required.

The CSIS study argues that the CINC's retain full operational command of the forces assigned to them. Peacetime operations, however, curtail this authority in the

areas of logistical support, training, and maintenance. Each unified command is organized with components of each of the individual services which make it up. These component services report directly to their parent service departments, effectively usurping significant control away from the CINC's in these resource areas.

The CINC's are well-known for exercising authority in form rather than in fact. It was not uncommon in the past for the service components of the joint commands to outrank the CINC. [Ref. 62: p. 31] Even in Vietnam, the complaint of the service interests not being subordinated to the interests of common concern was continuously made. [Ref. 63: p. 31] Complaints of R & D not being oriented towards the needs of the war; internal needs of the services being given priority over war needs; command rotation policy favoring giving everyone a turn instead of achieving the most efficient level of operations were all prevalent, and contributed significantly to the CINC's inability to carry out the operational charter it is tasked with. [Ref. 64: p. 31]

With these several aspects of their operations being decided upon elsewhere, and outside of their chain of command, the CINC's are virtually powerless in influencing them. This problem is exacerbated by the lack of a single military superior in Washington. [Ref. 65: p. 53] With a single military superior advocating their position in the Washington arena, the influence of the CINC's individually and collectively would be greatly enhanced. [Ref. 66: p. 54]

In his book Reappraising Defense Organization, Mr. Barrett strongly recommends consideration of consolidating theater-wide support at the unified command level, [Ref. 67: p. 260] supporting the position of the CSIS proposal. The service perspective on force employment is towards

maintaining their assigned forces as opposed to operating them. In this context, it is quite expected that the services will assign a lower priority to the operational needs of the CINC's. [Ref. 68: p. 19] Consolidation of theater organization operational requirements as they relate to the budget will insure a "more fair day in court" for the CINC's.

With stronger ties between the Chairman and the CINC's, a joint military perspective with an institutional base would be created. Both would defend the joint position just as the Navy now defends the Naval Tactical Air position. This new institutional component of joint military views would compete much more strongly with current service views. [Ref. 69: p. 265] Civilian leadership would now have two military viewpoints on issues of disagreement, and would be better-served with this added perspective. All players (JCS, CINC's, and civilian leadership) would gain in this situation. Either from the stand point of increased influence within the DOD organization, or by a larger input to the decision-making process. [Ref. 70: p. 265]

E. CONCLUSIONS

What effect will all of this have on the JCS ability to influence the budget? It is hard to say that it will not have any influence. Almost any change in the organizational structure of the JCS will likely have some impact on its operations, and influence within its environment. To say that it will have a great deal of impact is just as difficult. However, there are several aspects of these changes which must be considered.

There is nothing in these proposals, thus far, which significantly changes the mission of the JCS as an advisory organization. These proposals do, however, attempt to bring greater efficiency and effectiveness to the job they must perform. It is not clear, however, that these changes will

provide the desired result. Where required, the proposals recommend constitutional changes to make legal those recommendations.

One of the major factors in these proposals will be the perception of the organization by those who must rely on it, if the proposals are enacted. The JCS must possess credibility within DOD, Congress, and the administration. Its ability to submit worthwhile advice to these end-users is crucial to its ability to influence those processes it is engaged in. In its current form, the JCS does not lack credibility from the standpoint of the individual service advice it offers, but it does lack credibility as a group in its ability to work together in a joint forum to provide national defense advice from collective discussion and agreement.

Few people in organizations of power (DOD, Congress, etc.) desire to spend their time with, nor place much credibility in organizations which they consider to be lame-duck. Few organizations will accept advice, or act on recommendations from organizations which are viewed as lacking power or authority.

Through their inability to provide anything other than watered-down joint recommendations, the JCS is viewed as "indecisive", and "powerless", having their decisions either ignored, or sharply modified or criticized by SECDEF. In the past, Congress has been satisfied to have the JCS maintain this operational affliction. [Ref. 71: p 532] These proposals, however, will work towards increasing credibility by strengthening the organization from the standpoint of output quality, and perceived credibility.

Perceptions play a significant role in how organizations react to each other. When the administration, or SECDEF decides on arbitrary or unsupported budget funding levels, without input from the JCS, not only does this give JCS the

appearance of non-influence, but it creates the perception in Congress of the administration not trusting supposedly one of the most professional groups of individuals it has working for it. The JCS ends up performing a paper work drill which turns into "make-work".

To say the JCS is totally without influence is naive. To say that it is one of the most influential groups in the DOD budget process is incorrect. The JCS lies somewhere to the left of the middle of the two extremes. This position is extremely wasteful given the potential resource the nation has in this organization. The need to better this position is great. Solid, effective recommendations concerning budget levels to provide for effective national security should be a JCS forte. To settle for something less, wastes a valuable resource, and could potentially threaten national security.

IV. THE OFFICE OF THE SECRETARY OF DEFENSE

A. OVERVIEW

The proposals of the CSIS study go far beyond the singular restructuring of the JCS organization. In the nation's defense labyrinth, the achievement of reform will rarely come as a result of simple changes to one organization.¹¹ The CSIS group states the continuation of the first set of proposals as follows:

"It is likely that the beneficial effects of strengthening joint military institutions would be wasted unless these improvements were matched with changes in the structure and role of the Office of the Secretary of Defense (OSD). In our view, weaknesses in OSD's organization and procedures affect its performance in three ways: (1) OSD's internal structure does not conform to the departments strategic purposes, thereby weakening its ability to provide clear, consistent policy direction, (2) There is inadequate institutional voice for such operational concerns as readiness and sustainability, (3) The OSD staff is too heavily involved in the details of program management and is too large. By correcting these deficiencies, we believe that OSD will be in a better position to help the secretary carry out his most important functions-providing overall policy direction and program guidance and making major resource allocation choices-without excessive involvement in those specifics of program management that are best left to the military departments and operational commands."

The next three CSIS proposals center around the assistants to SECDEF, and the size of the DOD staff. Specifically, the proposals are as follows:

1. Expand the role of the under secretary of defense for policy to include responsibility for program integration on a mission basis;
2. Establish a third under secretary responsible for functions related to readiness;
3. Reduce the size of the OSD staff.

¹¹This is not to imply that the proposals thus far are in any way simplistic. Though complex in themselves, they are only a part of the entire network of changes which may, together, bring about desired reform.

The intended result of these proposals is to improve the guidance function of OSD, by streamlining areas of responsibility within the OSD staff. The proposals will be evaluated in a similar manner as before, evaluating each separately, and then from the standpoint of their collective interaction.

At this point, a few words should be dedicated to the subject of the relationship of the JCS to the Secretary of Defense and his staff. As explained by Mr. John Kester, the Service Chiefs, as JCS members, are probably more aware than the joint staff that works for them, that one rarely improves his position of influence by not giving the boss what he wants. In the case of the JCS, the boss is the Secretary of Defense. [Ref. 72: p. 531] Mr. Kester points out, that if SECDEF cannot get the information and advice he needs from JCS, he will turn to alternate sources. This is well substantiated in the actions of Secretary Robert McNamara when he greatly expanded his staff through the establishment of an assistant secretary to provide him with program alternatives he could not get from JCS. [Ref. 73: p. 531]

It can be seen that the need for strong interaction and mutual support of these organizations is crucial for the meaningful performance of their assigned tasking. To be influential in any of the missions they must perform, and specifically in the budget area, JCS must be able to get along with OSD, as well as maintain credibility in OSD's eyes by providing meaningful advice.

B. THE PRINCIPAL ASSISTANTS TO THE SECRETARY OF DEFENSE

Before proceeding with the proposals, a summary of the individuals currently assisting SECDEF is worthwhile. These individuals all have specific areas of responsibility. The CSIS report proposes to expand some of these

responsibilities to achieve greater consistency between how the OSD organization is structured, and how the defense agencies under the SECDEF staff provide it with information.

The Secretary of Defense has essentially twelve major staff assistants. Each has his own staff to deal with the various issues before them. These assistant positions and their responsibilities are delineated below:

- a. Deputy Secretary of Defense: acts for and exercises the authority of the Secretary of Defense in coordinating DOD activities as directed by SECDEF;
- b. The Assistant Secretary of Defense - Comptroller: provides advice and assistance to SECDEF in the areas of PPBS, resource management throughout DOD, problem identification and correction;
- c. Assistant Secretary of Defense for Health Affairs: responsible for health and sanitation matters including care and treatment of patients, training of medical personnel, drug and alcohol abuse control, and clinical investigations;
- d. Assistant Secretary of Defense for Manpower, Installations and Logistics: responsible for civilian and military personnel policies, including force structure analysis as related to quantitative and qualitative manpower requirements, manpower utilization, manpower programs development, and control of military and civilian manpower strengths, equal opportunity, logistics and materiel management, program integration, facilities and environmental quality, mobilization planning and requirements;
- e. Assistant Secretary of Defense for Reserve Affairs: responsible for exercising overall supervision of Reserve component matters in DOD
- f. Under Secretary of Defense for Policy: responsible for policy matters relating to overall international security policy and political military affairs;
- g. Assistant Secretary of Defense for International Security Affairs: provides advice and recommends policies, programs, plans, and guidance to DOD agencies with respect to political military affairs other than NATO, European countries, and the Soviet Union;
- h. Assistant Secretary of Defense for International Security Policy: serves as the focal point for long and mid-range policy on strategic and international security matters, and is responsible for developing and recommending policies concerning disarmament and arms control and East-West security negotiations;
- i. Under Secretary of Defense for Research and Engineering: advises on scientific and technical matters, basic applied research, environmental services; and the research, development, testing and procurement of all DOD weapons systems;

- j. Program Analysis and Evaluation: under the direction of SECDEF, this staff formulates force planning, fiscal programming, and policy guidance upon which DOD force planning and program projections will be based;
- k. General Council: chief legal officer of Department of Defense;
- l. Inspector General: conducts, supervises, monitors, and initiates audits and investigations relating to the programs and operations of DOD.

Other functional areas assisting SECDEF include: Public Affairs, Net Assessment (preparation of assessments for SECDEF), Legislative Affairs, Executive Secretary, Small and Disadvantaged Business Utilization. [Ref. 74: pp. 162-165]

Changing the OSD organization may be extremely beneficial to the JCS in improving their influence in all aspects of their missions. Quoting Theodore W. Bauer and Harry B. Yoshpe, in their book¹² Defense Organization and Management,

"The Department of Defense is, and must be, a dynamic organization. Changes of missions and methods, of technology and emphasis, developments of special requirements, and discoveries of better ways of dividing the work, all bring about changes of structure and function which must be a part of every day operations." [Ref. 75: p. 8]

They go on to explain that organizational structures which are never right to begin with, need periodic shake-ups. If these restructurings do not occur, the organization becomes less sound, because of the dynamics of organizational existence. The "right" organizational structure applies only for a specific period of time and in a specific environment. Regardless of these points alone, changes in personalities, approaches and methods create an inevitability in organizational change, and management

¹²For further discussion, see "Secretary of Defense" Defense Top Management Annual Report 1966, Armed Forces Management 13, no. 1, p. 44

patterns.¹³ [Ref. 76: p. 8] The JCS have worked with the current OSD organization for a long time. Its present structure may contribute significantly to JCS ineffectiveness in many areas.

It should be noted that this paper is not advocating that change for change sake is justification enough for restructuring the OSD organization. However, if, due to personality changes, environmental changes, or because the organizational structure was not "right" initially, organizational change should not be delayed. Change should then be a high priority to make the organization as effective as possible. Each part of the organization must be effective by itself to contribute to the organization as a whole.

C. PROPOSAL 1: ALIGNING OSD WITH THE THREE MISSION CATEGORIES

The first proposal addressing modification within the OSD organization follows: The role of the under secretary of defense for policy should be expanded to include responsibility for program integration on a mission basis. He would retain responsibility for drafting the Defense Guidance, but would broaden his involvement in the program and budget review process. An assistant secretary for each of the three major mission categories would be assigned: nuclear deterrence, North Atlantic and European defense, and regional defense.

The October 1985 SASC staff report recommends a similar organization which would be made up of three under secretaries each with responsibility for one of the three areas listed above. [Ref. 77: p. 47] The staff report varies from the CSIS proposal by elevating the new positions to under secretaries as opposed to incorporating these areas

¹³For further discussion, see Organizational Structures and Planning, Rand Paper P-3316 by James R. Schlesinger, Rand Corporation, 1966, pp. 3-4

under one the direction of one under secretary. Whether or not the change in organization follows the CSIS report or the SASC staff report, the argument over the current structure concerning resources as opposed to mission is further supported by the SASC staff report.

Perhaps the time for organizational restructuring in this policy guidance area of OSD-JCS relationships is ripe. To improve this relationship, the CSIS group contends that the time has come to organize the OSD staff, specifically the Under Secretary of Defense for Policy, with a structure that mirrors the mission areas on which JCS and the Service departments must advise.

As can be seen from the list of SECDEF assistants, SECDEF receives, or has available, advice on every conceivable issue which he may have to address. All of the information that he needs may presently be available in one form or another. However, structural problems in its format alone may be causing ineffective transmission of this information.

At the risk of being too elementary, an example may be worthwhile. A typical ship of the line is divided into essentially four functional or mission areas: Combat Systems, Engineering, Ship Control (Deck, Seamanship, Navigation, Communications), and Supply. The Commanding Officer receives and requests information concerning the functional areas around which his ship was designed. He does not expect to receive information on supply from somewhere within the combat systems area. He does not expect to receive engineering information from somewhere in the ship control area.

For the various department heads to provide the Commanding Officer with information in areas that should rightly be handled in another area would be extremely

ineffective. Information would not only be less accurate, it would lack perspective, cohesion and consistency with information in the area in which it belongs.

At present, the mission categories of DOD center around the three areas listed earlier. The method for receiving and evaluating information within the OSD staff, however, does not conform to these mission areas. Again, as can be seen from the description of responsibilities for his staff assistants, SECDEF has bits of information coming from various sources. These sources are not necessarily interacting in their determination and evaluation of issues. Instead, issues are addressed in segregated areas of the OSD organization. The result is a lack of consistency with the "job description" assigned to JCS and the service departments.

In the past, the three areas have been addressed by separate assistant secretaries. This is a major frustration to the system of policy making within DOD. The problem, addressed again by Mr. Bauer and Mr. Yoshpe, generates the question of "whether the organizational arrangements in DOD foster or impede the coherent resolution of the issues of purpose, strategy, and organization . . ." [Ref. 78: p. 14]

The basic change proposed by the CSIS group, is essentially a wiring-diagram change. It does not alter in any way the substance of advice provided by the JCS and the services. It does, however, attempt improvement in the channeling of that information to OSD. If OSD receives information along the same functional lines that it is given to them, the potential for greater understanding of the issues presented by OSD could very well improve their ability to deal with the information provided. Obviously, this works both ways. The policy guidance provided JCS and

the services by OSD, can only be more clearly understood, and more effectively and efficiently acted on, if both are "playing from the same sheet of music".

The service departments currently have responsibilities for the three broad mission categories mentioned above: Nuclear defense, North Atlantic and European defense, and Regional defense. Each of the services contributes in some way to each of these missions. Operations plans, specific taskings, and force orientation are all developed from these three central areas of concern. [Ref. 79] Policy guidance, as shown above, does not come from OSD in this format.

The Under Secretary of Defense for Policy is currently tasked with producing the Defense Guidance (DG). All of the services develop their Program Objective Memorandum (POM) from this document. The POM must be tailored to the format of the DG, addressing the areas in that document. [Ref. 80] The structural design of the document by section is as follows:

1. Threat Assessment: appraisal of the world environment and threats to U.S. interests;
2. Policy Guidance: addresses general goals of DOD providing overall direction for development of national military strategy, force planning; unconstrained by availability of resources;
3. Strategy Guidance: provides national military strategy for countering the threat during the FYDP period and beyond;
4. Force Planning Guidance: addresses tasks to be carried out by DOD components in developing major combat and defense-wide support forces needed to execute the strategy;
5. Resources Planning Guidance: specified programming criteria and priorities for the allocation of defense resources, principally in the areas of readiness, sustainability, modernization and industrial base;
6. Fiscal Guidance: provides DOD components total obligation authority projection for the FYDP plan ten year extended planning period;
7. Major Issues: statement of problems affecting the defense guidance requiring study or top management attention. [Ref. 81]

This shows that the DG does not reflect by organizational format the mission categories of the Defense Department, in structure or content. As stated earlier by the CSIS proposal, OSD's internal structure does not conform to the departments strategic purposes, causing a weakening in its ability to provide clear consistent policy direction to DOD. This issue is fully supported within the text of the DG itself. The 1985 Defense Guidance, under the Major Issues section, specifically addresses the need to review the DG due to problems experienced in the past. It requires the assignment of a special study group for this purpose. It states:

"The purpose of this study is to identify problems ascribed to the current organization of Sections IV and V of the Defense Guidance and to analyze alternate structures. Alleged problems include weak linkages; redundancy; lack of consistency; difficulty in assessing the affordability of MTO's (Mid-Term Objectives); and emphasis on resource inputs rather than defense outputs. Attention should be paid to verifying the existence of these potential problems, and determining their origin and remedy. The structure of Section I-III although considered adequate, shall not be excluded if the conduct or completion of the study warrants their conclusion." [Ref. 82: p. 112]

The DG should be structurally arranged such that it is prioritized in a manner consistent with the broad general mission categories of the defense department. The Services and the JCS must presently pick through bits and pieces of the DG, to find issues related to these mission areas and put them together conceptually into a policy format with which they can work. This should not be the case.

It may appear almost nit-picky, in some ways, to be concerned with this issue. It may have aspects of exaggeration, when considering the overall scheme, to say that SECDEF needs to "reorganize his chapters" so that they are more comprehendable by the reader. If one steps back and considers, however, that the issues being debated are

issues of national security, upon which the nation must depend, then all aspects of this argument take on a different perspective.

The Services and JCS require clear concise policy guidance from above. They cannot afford to piece-meal defense policy by picking through the DG, and then assembling the policies regarding the mission categories they must work with in a complete, understandable format. It should be the responsibility of SECDEF to articulate clearly and concisely, in universal format, what the policies concerning these mission categories are.

The CSIS study proposes to organize and distribute thinking about policy issues along the lines of the mission categories. As the CSIS proposal suggests, below the Under Secretary of Defense for Policy, three assistant secretary positions would be created. Each would be responsible for one category. Each would be tasked with developing the issues and policies in their specified areas. They would be under one "boss" who would provide consistent non-conflicting guidance to them on issues they are confronting. Instead of having three to four different Assistant Secretaries of Defense providing guidance to three to four individuals in their own staffs (each with a little different perspective on the situation), DOD would have one under secretary and three assistants working together to resolve policy issues aligned appropriately with military missions. The Services as well as JCS would have one central point of contact within OSD to address questions/comments/argumentation.

D. PROPOSAL 2: CREATION OF A THIRD UNDER SECRETARY OF DEFENSE

The next proposal concerns the establishment of a third under secretary: A third under secretary of defense should

be established with broad policy oversight responsibilities for functions related to the readiness and sustainability of the operational forces.

This has been an area of concern for almost two decades. In 1970, the Blue Ribbon Defense Panel found difficulty in this same area. Their specific recommendation was to establish an Under Secretary of Defense for Operations. Under this plan, some of his responsibilities would be:

- a. Military Operations;
- b. Unified Commands;
- c. Operational Requirements;
- d. Intelligence;
- e. Telecommunications;
- f. Defense Communications Agency;
- g. Civil Defense Agency. [Ref. 83: p. 55]

This panel saw the need for bringing together the different organizational functions within OSD which dealt directly with the readiness side of the department. They recognized that those functional areas of defense which contributed to readiness would be better coordinated under one under secretary. [Ref. 84: p. 25]

The operationally ready forces are assigned to the unified and specified commands. Under this organizational format, the essential elements of command and operation should be centralized under the direction of one individual within OSD. [Ref. 85: pp. 40-41]

In addressing this issue, it is important to first focus on what the nation's military should be "ready for." In their paper The Problem of Military Readiness, Melvin Laird and Lawrence Korb state,

"This nation raises and maintains military forces for two primary purposes: to deter others from employing military force against us and to conduct military operations if deterrence should fail. The ability to be ready to fight or conduct military operations successfully is by far the more important of the two functions. If our military forces are not prepared to

fight, then few of our adversaries will be deterred from committing hostile acts against us or our interests.
[Ref. 86: p. 1]

Sustainability concerns the ability of the United States to engage in battle for an extended period of time. Issues such as support lines for logistics, ready spares in forward deployed units, reinforcement troops and equipment and survivability of initial combat units all contribute to the country's ability to sustain operations on a global basis. [Ref. 87: p. 13] The requirement to centralize these issues under the direction of one individual rather than under several individuals is clear. The area of sustainability needs clear consistent direction from a central dedicated staff. There is presently no equivalent, or specifically assigned assistant to SECDEF who has direct cognizance over these areas.

In their paper, Melvin Laird and Lawrence Korb conclude that U.S. military forces are not ready for combat, or to conduct sustained operations. Although their paper does not specifically address the suggestion by the CSIS group concerning the creation of a third under secretary, their conclusion lends credence to the proposal. They sight several examples why they have reached the conclusions they have. Several of these follow:

- a. The Navy's 12 air wings are only enough to place one wing on each carrier-ideally one third more airwings than carriers is desireable to meet potential operational requirements;
- b. All ground, sea, and air forces have numerical shortfalls in personnel and equipment;
- c. Current airlift capability is inadequate to handle a contingency or half-war scenario;
- d. Forces likely to be moved to the Arabian Gulf area lack both the size and firepower to handle most contingencies they may encounter in that area;
- e. Naval air power in the late 1980's will be ten percent smaller due to the lack of allowance to procure replacement aircraft from attrition;
- f. The U.S. does not currently have the industrial base, transportation capability, or the people to fight a

prolonged war in Europe. A lead time of at least sixty days after mobilization would be required for U.S. industrial munitions plants to start producing additional ammunition;

- g. Tactical aircraft of all of the armed services have severe shortages of spare parts;
- h. At any one time, approximately 17 percent of DOD's units are in planned overhaul while 15 percent suffer from a major deficiency in at least one area that is serious enough to prevent them from carrying out some combat missions;
- i. U.S. capabilities are declining relative to those of the Soviet Union;
- j. Sustainability is a problem in all components of the U.S. armed forces;
- k. Retention of trained, skilled and experienced personnel is poor, and becoming worse¹⁴ [Ref. 88: pp. 4-26]

Again, the study by Melvin Laird and Lawrence Korb did not address the correction of these problems through reorganization of OSD. The problems discussed above are only a partial list of the problems mentioned in their report. They illustrate, however, that there are a wide range of problems facing the armed forces in their ability to insure the security of the nation.

These problems all concentrate in the areas of operational readiness and sustainability. These problems are currently addressed by several different assistant secretaries. The need to improve the capability of the armed forces should start with the concentration of these issues within one office of OSD. Until one individual has authority over confronting these issues, the approach within OSD will continue to be splintered action in each area. Testimony before Congress on important programs and issues will not have a consistent voice.

¹⁴This data is current as of mid-1980. Although it represents data which is somewhat dated, it is accurate to state that the numbers and issues have changed very little as of this writing.

E. PROPOSAL 3: REDUCING THE SIZE OF THE OSD STAFF

The third proposal addressing reform within OSD follows: In the context of the realignment described previously, we believe that the secretary of defense should review the staffing needs of OSD and Washington Headquarters Services with a view to making substantial reductions in its size.

One of the most frequently cited problems in management effectiveness studies is the problem of "over management" or "micro management". The fact that this criticism is so frequently found does not under-play its importance in any way. On the contrary, it tends to reaffirm the need for continual attention in this area.

This is a real problem, and one which can be found to exist throughout many organizations. In his book Reappraising Defense Organization, Mr. Archie Barrett compares criticisms found in five major defense organization studies conducted since 1970. Two criticisms are significant in this area of discussion; they are:

1. Decision making authority is overly centralized at the secretary of defense level. Micro-management by the Office of the Secretary of Defense (OSD) results in failure to delegate detailed management activities.
2. The secretary of defense/OSD level needs to place greater stress on long-range planning and policy formulation guidance and oversight. Concentration on those areas should replace the emphasis on detailed management.

Five out of these six major studies reached the same conclusion as the criticism in the first statement. Four out of the six studies agreed with the second statement. [Ref. 89: p. 84] As can be seen, this is not a new problem.

The current OSD organization employs approximately sixteen hundred people.¹⁵ This is even after reducing the staff by almost one third since before 1973. When comparing

¹⁵There is some debate on these numbers. They are approximations due to different methods of accounting for people assigned to OSD, and whether various agencies should or should not be considered a part of the OSD organization.

the size of the OSD staff to that of the service staffs of the military departments, it is apparent that OSD operates with less than half of the people employed by the services, and is only very slightly larger than the OJCS staff. [Ref. 90: p. 216]

In his Report To the Secretary of Defense (Harold S. Brown), Mr. Paul R. Ignatius also reviews previous studies completed on the reorganization of DOD. In his report, he discusses the findings of the General Accounting Office Report. The major points concerning OSD over-management reported in the GAO study follow:

1. The increasing involvement in service program execution at the OSD level reduces the autonomy of the Service Secretaries and thereby reduces their ability to make decisions on issues which are more relevant to them or on which they often have more expertise.
2. Since the Military Departments are separately organized and the Service Secretaries are resource managers, it is logical that they may be given the authority to manage. They are, in effect, presidents of operating companies. They serve many useful functions, particularly resource management, personnel administration, budget justification, and establishment of unique Service policies.
3. Perhaps their most important role is that of interpreters between the Military Staffs and OSD -- they act as a check and a balance when those parties have jurisdictional disputes.¹⁶ [Ref. 91: pp. 22-23]

In this same context, Mr. Ignatius' study called for greater delineation of responsibility between OSD and the Military Departments; specifically, where OSD's authority ends, and where the Military Department's authority begins. He additionally recommends the reduction of management intervention by outside agencies within DOD. [Ref. 92: pp. 26-27]

¹⁶For further discussion, see General Accounting Office Report, Suggested Improvements in Staffing and Organization of Top Management Headquarters in the Department of Defense, April 20, 1976

This study found that there was great support for the proposal to reduce the OSD staff by as much as fifty percent. The objective of this reduction would be to force OSD to concentrate on policy, leaving the details of operations to the Military Departments. In his report, he states the size of the OSD staff alone is so immense that its tendency is to be involved to an unjustifiable extent in the day-to-day operating decisions of the services. While this study specifically does not attempt to determine a "correct" staff size to prevent these problems, it does find that reducing the staff size could help alleviate these difficulties. [Ref. 93: pp. 33-34]

Although micromanagement within OSD is a real problem, it will not be solved without additional emphasis on discipline within the OSD staffs. This discipline should, and must come from SECDEF himself. If it does not, the frustrations of the services will be ignored. The secretary of defense must emphasize the need for appropriate management practices at all levels. [Ref. 94: p. 34]

An argument often given to prevent further reduction of the OSD staff is the continuous growth in the staff's workload. This increase comes from various sectors including compounding Congressional requirements, as well as self-generated requirements within DOD. No matter what the reasons, it is generally accepted that the workload is increasing.

The way to deal with this problem, while at the same time being able to afford a reduction in the OSD staff size, is for greater service involvement. Allowing the already large staffs maintained by the services to assist in this ever-increasing workload, will help enable OSD to concentrate on the areas of policy direction as opposed to operational minutia. [Ref. 95: p. 35] The mere act of concentrating OSD staff attention away from operations, back

into policy, however, will in itself, create more time for OSD staffers to focus their efforts in the area of policy - potentially negating the requirement for further service involvement in other areas.

F. CONCLUSIONS

The bottom line question, with respect to this paper, is whether or not the current organization impedes the influence of the JCS in presenting arguments to OSD. These proposals have great significance to the JCS and the performance of their advisory role. The bridge between what JCS is acting on, and how the proposals from those actions are received by OSD, must be a strong working relationship between the two bodies. This relationship cannot be one which is dependent on close personal or professional ties between the various players. It must derive from sound structural lines of communications between the organizations. If the organizations can:

- a. Communicate from the same perspective by utilizing structurally identical documentation,
- b. Concentrate the efforts of confronting the major problems facing the readiness of the armed forces, and
- c. Restrict themselves to the taskings which they are separately assigned,

then, there can be substantial effective progress made in the resolution of conflicting views on relevant issues. The result must be a more effective organization. The JCS, in conjunction with other proposals, previously discussed, would, by definition, elevate themselves in the area of credibility, and competence.

V. CONGRESSIONAL DEFENSE OVERSIGHT

A. OVERVIEW

This area of the CSIS study concerns Congressional approaches to budgets, and the function of certain Congressional committees. The report states:

"No legislature in the world devotes as much time, energy, and talent to decision making on the defense budget as does the U.S. Congress. Nevertheless, almost everyone involved in the process, in the Congress itself and in the executive branch, has expressed dissatisfaction both with the outcome of this effort and the process itself. Congressional procedures for review of the defense budget reflect and reinforce many of the obstacles to effective policymaking and management in the Department of Defense. In particular, the Congress contributes to turbulence in the defense program and budget by focusing excessively on the details of program management. Moreover, by using its time to review virtually every line item in the budget, the Congress foregoes opportunities to address the more fundamental issues of defense policy: the establishment of national strategic priorities and the broad allocation of defense resources toward those priorities. Changing the way Congress reviews the budget would not only improve legislative oversight of defense policy, but would also encourage and reinforce reforms in the Pentagon."

B. PROPOSAL: REFOCUSING CONGRESSIONAL REVIEW

The specific proposals in this area of the CSIS study are as follows: To streamline the congressional review process and refocus legislative attention on the broader issues of national strategic priorities and allocation of defense resources to support them, two measures are recommended:

1. Shifting the defense budget from an annual to a biennial cycle;
2. Reestablishing the division of labor between the defense-authorizing and defense-appropriating committees.

1. The Biennial Budget

A significant amount of professional and academic energy has been concentrated on the DOD budget, its process, and its execution. This literature has had its major focus on analyzing and attempting to improve the effectiveness of the process through alternate budget methods. Over the past few decades, the DOD budget process has undergone three major revisions - MBO, Zero-Based Budgeting and PPBS. Each was aimed at improving the current system by replacing it with another altogether new system.¹⁷ The CSIS group states their reason for proposing a biennial budget for DOD as follows:

"We believe that shifting to a multi-year budget is crucial for an effective legislative role in defense policy. Certainly, the Congress should review the details of budgets and weapon programs, but it need not undertake such a time-consuming task every year for every weapon--much less three times per year. Ideally, budgeting would be accomplished on a multi-year basis and weapons would be reviewed only in conjunction with the three or four major decision milestones in their acquisition cycle. Once it was decided to procure a major system, authorization for purchases over several years should be the normal practice rather than the exception. It would foster greater stability in the defense planning process and ease the burden now imposed by the annual budget process on the members of Congress. By reducing the time spent on budget review, a biennial cycle would allow greater efforts to be directed at broad questions of policy oversight. And it would permit more attention to be paid to those long-term issues of purpose and strategy that are of the greatest importance to the nation's security. At the same time, a biennial defense budget would have a salutary effect on internal Department of Defense resource allocation procedures. It would impart greater stability into the planning process. It would reduce the amount of time the department spends on budget issues, allowing greater attention to be paid to broader issues of defense strategy and priorities, as well as the evaluation of past decisions."

¹⁷DOD has retained PPBS as its formal method of budgeting.

¹⁸The CSIS study points out that the defense budget is reviewed in each chamber at least three times each year.

The proposal of the CSIS study does not attempt to replace the current budgeting system. It does modify the current system. It may seem at first glance, that by extending the DOD budget cycle by twelve months (biennial as opposed to annual), the system is in effect completely changed from its current form. After further review, however, it should be obvious that, in fact, there is no substantial change to the current process, and that DOD continues the budget process just as before.

The mechanics of the CSIS-proposed biennial budget would be as follows:

1. The administration would submit to the Congress for debate, amendment and approval, a two-year authorization and appropriation in the first year of each new Congress;
2. In the second year, only relevant committees would consider review, evaluation and oversight of programs currently on-going;
3. Potential adjustments in the off year cycle would be accommodated by a supplemental appropriation;
4. In the off year period, DOD would be granted wider authority for reprogramming.

The major resistance one normally finds expressed to changing to a biennial budget, comes from the experience of having changed the start of the fiscal year from July to October. The result intended from this change was to afford Congress more time (and hence all organizations involved with the budget) to review and pass the budget Appropriations Act. Prior to the Budget Impoundment and Control Act of 1974, Congress did not have enough time to work through all of its processes by the end of June.¹⁹

The result, in fact, was that Congress then filled the extra three months with more reviews, and committees, and processes, and, with the exception of FY 78, has had to pass a continuing resolution to fund the government every

¹⁹The first of July starting the new fiscal year.

year since! These resolutions have in some years taken as long as the November to be resolved.

It is easy to see that the opponents of affording Congress any more time to tinker with budget fear that Congress will only again fill the extra time with more committees, reviews, and processes. They would contend that allowing more time for the budget will not resolve the time problem. Congress, it is presumed, will still have difficulty in getting the budget out.

There are other reasons why the biennial budget has been opposed. The following arguments are the most common in support of the current annual process:

1. Annual authorizations provide better control over executive agencies;
2. Annual authorizations provide better control over the Appropriations Committees;
3. Congress has been reluctant to consider the two year budget estimates submitted by the Administration, even though two year estimates are required by the Budget Act of 1974;
4. Congress has recently attempted or passed legislation requiring an annual authorization bill for construction and maintenance of public buildings, and for projects within the National Science Foundation (R&D has traditionally been a multi-year authorization) with this tendency continuing in other areas;
5. The size and uncertainty of foreign assistance have locked it into an annual authorization;
6. Congress prefers the flexibility of annual authorizations which allows them to adjust funding levels annually to adapt to changing conditions;
7. There is an overriding feeling within Congress that annual authorizations provide a necessary counter-balance against wide Presidential discretionary powers, particularly within the foreign assistance area.²⁰ [Ref. 97: pp. 30-31]

²⁰It should be noted that not all in Congress oppose a biennial budget. On the contrary, several promote the idea. Several members of the CSIS study group are members of Congress, and there have been several bills introduced by the 95th Congress to enact this change. [Ref. 96: p. 275]

There are, of course, good reasons why a biennial budget process should be reviewed, and potentially implemented. Some of these come from Charles Schultz in his book on setting national priorities in the federal budget. He contends that the annual budget process is increasingly poorly suited for the setting of national priorities. He states this for two reasons:

1. Setting priorities no longer involves simply a determination of how much of the nation's resources should be devoted to a particular purpose; it also requires difficult decisions about how each purpose can best be accomplished.
2. Most important decisions do not have their major budgetary consequences immediately, but only after several years. Effective allocation of resources and consideration of alternative goals can be done only with a budgetary outlook extending over time, perhaps many years. [Ref. 98: p. 464]

He continues by saying that pretending a

"\$250 billion federal budget is freshly put together each year is an exercise in self-delusion, for both the Congress and the executive branch. From one year to the next, most of the changes that occur in budget expenditures are "built in"; that is they result from decisions made in previous years. Thus, in a single year little can be done to restructure priorities."

However, over the long run, changes in the allocation of budgetary resources can and do occur. He goes on to say that undue

"concentration on a single year's budget obscures the long-run changes that current decisions will actually bring about. When attempts are made to cut spending, the current annual budget process places most emphasis on actions that affect the coming year's budget, often at the expense of cuts that are more desirable but that may not affect expenditures for several years. Conversely, new programs or military weapon systems are inaugurated with major attention to their cost in the current budget, which may be only a small fraction of their total cost. Tax cuts are enacted with attention to their immediate budget impact and little consideration to their effect on the long-run balance of revenues and expenditures . . . While an annual budget is essential for purposes of economic policy, a single-year framework for conducting all of the budgetary procedures has outlived its usefulness. Both the Congress and the executive branch need to view the

budget totals and major program decisions in a longer perspective." [Ref. 99: pp. 464-465]

As can be seen, there are a great many worthy arguments on either side of this issue. Both sides press their points either from the realities of the current mind-set in Congress (those opposed), or from a theoretical perspective aimed at the realities of what should be (those in favor). To say that either side is right would be almost impossible. To mix the views of both sides in an equitable union may be almost as equally impossible.

These words provide little assistance, however, in revealing the benefit to the JCS of implementing a biennial budget. What can be seen, is that there are difficulties in the present system, and in modifying it. The trading of one set of problems for another, and their requisite effect on JCS influence within the budgeting process cannot be assessed merely from academic discussion. To evaluate the effects, both postulated and hidden, of shifting to a biennial budget, this reform would have to be implemented. No one can predict with certainty all of the aspects of this type of change. The only certainties at the moment are that the current system is a known entity; and, that shifting to a biennial budget may result in effecting the JCS influence over the budget process. In what direction it will change, is unknown.

2. Dividing Up the Labor

The question of who should work on which aspect of the budget within Congress, would seem almost academic, if not blindingly obvious. By virtue of the names of the committees themselves, it would appear that there should be no confusion as to who should control which areas of authorization and appropriation. This confusion takes on real dimensions, however, when viewed in the light of a survey on the competence and performance of Congress, as

viewed by the American public. The survey found that most Americans rated Congressional competence "somewhere south of trash collectors." [Ref. 100: p. 1] Mr. Alton Frye, in his book A Responsible Congress, expresses his feelings on Congress by stating, "Few institutions are in greater need of change for the sake of change."²¹

These comments are really more satirical rhetoric than literary commentary on the view some people take of the way Congress seems to work. They do express, however, a certain frustration with the inability of Congress to effectively deal with the issues before it. Some of this frustration is reflected in the contention of the CSIS group. They contend the authorizations and appropriations committees are interfering in each other's areas of concern. This has caused greater difficulty for the military departments and the JCS to be effective in the Congressional arena, and in carrying out their managerial and operational responsibilities.

In evaluating this issue, we should first look at what the actual responsibilities of the two committees are:

1. Armed Services Committees: annually originate legislation that authorizes about two-thirds of all DOD expenditures which includes funding for the procurement of weapons;
2. Appropriations Committees: legislate the remaining one-third which includes military pay and allowances, operations and maintenance; they may reduce, but can not exceed authorized limits. [Ref. 101: p. 21]

Under the current operational format of these two committees, the ability of SECDEF and his forces to gain approval of bills submitted to Congress has become increasingly more difficult. The once moderately straight forward Congressional structure has blossomed into a garden of subcommittees within committees. The greater complexity

²¹A Responsible Congress, by Alton Frye, McGraw-Hill, 1975

of issues today, requiring greater specialization has helped to make the number of committees grow. The current House rule requires that each standing committee with over twenty members have a minimum of four subcommittees. [Ref. 102: p. 78]

Although this is somewhat off the track of the CSIS proposal, it illustrates the rapidly increasing tendency of Congressional committees to overstep their areas of concern, not by intention, but simply by design of the system.

This is supported by Mr. Richard Haass, in his paper, The Role of the Congress in American Security Policy, when he states that in the area of foreign policy and defense, neither the House nor the Senate has one central committee dedicated to these areas, such as a "National Security Affairs Committee." He points out that

"Issues in this area are, by one account, dealt with by sixteen Senate and nineteen House committees and an even larger number of sub-committees. What results are two types of jurisdictional tangle: not only are foreign and defense policy issues considered by a large number of separate committees, but often the same matter is considered by two or more committees." [Ref. 103: p. 551]

The problems of overlapping are common within all areas of congressional review (not just defense). Another example emphasizes the point. In one instance, both the House and the Senate were investigating civil aviation. The committees involved were the following:

"subcommittees of both the Senate and the House Committee on Interstate and Foreign Commerce; two appropriations subcommittees that pass on the appropriations of the Department of Commerce; a special Subcommittee on Legislative Oversight of the House Committee on Interstate and Foreign Commerce; both the Senate and the House Committee on Government Operations; the Senate Judiciary Committee; a special subcommittee of the House Armed Services Committee; and several other appropriations committees. No less than twelve subcommittees were concerned with the work and policies of civil aeronautics agencies." [Ref. 104: pp. 274-275]

The consequence of this dilemma, is a divided congressional perspective, which prevents the creation of integrated coherently legislated policies. Legislation then becomes the result of compromise, with little thought given to the trade-offs which must be made, as well as the impact of these trade-offs on other issues. This system produces policies that can be in conflict with the issues originally presented. [Ref. 105: pp. 551-52]

A deeper look into the appropriations process reveals even more significant problems with the congressional review process. In his book Congressional Control of Administration, Joseph P. Harris conducts a lengthy review of the appropriations process. In discussing the questioning of members of the defense organizations by committee members, he states:

"The interrogation of witnesses tends to be unsystematic and repetitious, partly because it is common practice for each subcommittee member to have his turn at questioning. Depending on the interests of each member and his degree of acquaintance with the agency's work, one group of questions may be searching and relate to vital issues of policy or administration, another may wander off into a trivial but detailed backwater. Not many members have sufficient firsthand knowledge of the complex programs and activities to inquire into specific operating details. In the general atmosphere of impromptu cross-examination, questions dealing with important policy issues are frequently not followed up."

The decisions for appropriations often are the decisions of one member, only a few members or potentially even the decision of the clerk of the committee staff. He concludes that the basis for allocation of funds to a department or program due to the limitations of this process is dubious at best. [Ref. 106: pp. 77-78]

Speaking in general terms, Mr. Harris states,

"Congress should reconsider the whole problem of legislative oversight of administration, including its own organization for oversight and the various means utilized. The present practice has developed more as an accidental by-product of the legislative functions of

Congress than by design. The responsibility for oversight of the individual departments and agencies is divided among numerous committees, resulting in a large amount of duplication and overlapping, and the lack of any clear responsibility. Heavy drains are placed upon the time and energy of the heads of departments and other executive officers by reason of the numerous congressional committees to which they must report and explain their actions. Legislative oversight of administration, properly conceived and carried out, is a safeguard against lax, inefficient and inept administration; but excessive controls, often written into law to correct abuses of years ago and continued long after the need has passed, may hamper rather than improve administration." [Ref. 107: p. 296]

The Department of Defense is currently suffering under the uncertainty of which committee will control which aspect of their budget.

C. CONCLUSIONS

Each of the ideas presented in this chapter have individual merit. Each has basis within the literature, and within the reality of its context to be a valid proposal. These particular issues deal directly with the budget issue. It is unclear, however, whether the proposals presented will result in direct support to the JCS by increasing their influence within the budget process.

In the first instance, the proposal to shift the DOD budget to a biennial budget may have value in increasing the JCS influence based in the ideas previously expressed by Mr. Schultz. However, shifting to a biennial budget will not in itself change the perspective to a longer range view. This is already the case in the current system. The PPBS requires DOD to establish their budget on a multi-year basis, extending projections out eight years. The department currently has a long range perspective.

The advantage a biennial budget may provide is the ability for the department, and consequently JCS, to actually carry it out. Although projections for long range requirements have always been considered, Congress has never responded to this method of budgeting. They have

consistently considered the budget on an annual basis. Legislating that Congress budget the DOD biennially, may force them out of the annual perspective. Old habits are hard to break, and Congress may be harder to change than most organizations. As mentioned, above, however, the benefits and the drawbacks of the biennial budget will not be known unless the system is actually implemented.

The advantages of restricting the authorizations and appropriations committees to their specific tasks may be more readily obvious. The uncertainties about the budget without the confusion of dealing with several committees and subcommittees are large enough. The old notion that too many cooks spoil the soup applies very well here. The specialization of committees to deal with issues they should be expert in can significantly improve the ability of DOD to deal with Congress.

The Joint Chiefs effectiveness in communicating with the right committee on the right issue can only be enhanced. Knowledge of where the power centers are is crucial in dealing with Congress. At present, the power centers are unclear. Any one of several could influence the budget outcome in an unperceived way.

The two issues go together very well. Both deal specifically with Congressional side of budgeting. Their common interaction could enhance JCS influence in the budget process in the ways that are the primary aim of each proposal. Affording the JCS the opportunity to carry out their budget process with long-term implementation, mirrors the method by which the budget within DOD is currently put together. This would enable the Joint Chiefs to concentrate their efforts consistently whether they are dealing with Congress, the administration, or DOD. Clearly segregating the tasks of the congressional committees JCS must deal with, improves their ability to deal with those who

ultimately approve the defense programs they will attempt to gain.

VI. FORCE DEVELOPMENT AND ACQUISITION

A. OVERVIEW

The last set of reforms, recommended by the CSIS study deal with Force Development and Acquisition. Some of the recommendations which impact this area have been mentioned in earlier chapters. These will not be reevaluated in this chapter. These proposals are:

1. Broaden the responsibilities of the under secretary of defense for policy;
2. The Chairman of the Joint Chiefs, along with the Joint Staff should prepare force planning recommendations constrained by realistic estimates of resources available;
3. Shifting DOD to a biennial budget.

The proposals concerning force development and acquisition all deal with improvements in the way DOD conducts business from a "money-efficiency" standpoint. They deal with the details of accounting for the use of resources, to establishing incentives through competition for contractors of defense equipments.

None of these proposals is particularly controversial in itself (with the possible exception of adding the aspect of accrual accounting to our present accounting system, as well as merging the programming and budgeting phases of PPBS). The rationale behind these proposals will be explained briefly, but a rigorous debate regarding the propriety or impropriety of the proposal will not be conducted. The proposals are uncontroversial partially because there is little debate that the majority of them would infact result in some level of enhancement in the DOD budget process. Additionally, some of these proposals are new, and have not yet had the advantage of academic debate.

The CSIS group states their initial premise for concern for force development and acquisition as follows:

"The Department of Defense has developed two major processes to aid the secretary of defense in integrating the plans, programs, and budgets of the individual military departments: the Planning, Programming, and Budgeting System (PPBS) and the major system acquisition process. Both processes need to be adjusted in line with the organizational changes recommended in the previous three sections to ensure that the secretary can carry out his integrative roles effectively."

B. PROPOSAL 1: MERGING PROGRAMMING AND BUDGETING IN PPBS

The first set of proposals in the area of force development and acquisition are stated as follows: The programming and budgeting phases of the PPBS should be merged into a single process that retains a program and mission orientation, but simultaneously establishes relevant budget inputs. We recommend the integration of the programming and budgeting processes in order to promote the matching of resource inputs to program outputs and the linking of both to defense objectives and missions. Under this proposal, the programming and budgeting functions would be merged at each stage of the process:

1. The issuance of policy and fiscal guidance by the secretary of defense;
2. The preparation of program and budget requests by the military departments and the operational commands;
3. The review of those requests by OSD.

1. What PPBS Is

The Planning, Programming and Budgeting System (PPBS) has been discussed throughout this paper. What PPBS really is, however, may not be clear. With this section of the chapter concentrating specifically on PPBS, it is important for the reader to know exactly what PPBS is, and how it is currently working, in order to understand the reasons for proposed reform. That is the purpose of this section. The discussion will start with an overview of PPBS, emphasizing the role of the Joint Chiefs.

The Planning, Programming and Budgeting system, as stated by Vincent Puritano and Lawrence Korb,

"is the key management mechanism by which the secretary can exercise his statutory control over, and make trade-offs among, the capabilities of the three military departments and the 10 defense agencies that constitute his vast domain. Thus, it is not at all surprising that secretaries of defense have paid a great deal of attention to the format as well as the substance of the defense budget process. The format determines not only who will make the decisions, but also how they will be made, and therefore, to a large degree, what decisions will be made." [Ref. 108: p. 570]

In short, PPBS "is the long-term process whereby mission needs are identified, matched with resource requirements, reviewed, and finally translated into budget proposals." [Ref. 109: p. 571]

Through this system, the following decisions are made:

1. The size of U.S. forces;
2. The rate of modernization of forces and defense assets;
3. The level of readiness of U.S. operational forces;
4. The Quality of military life. [Ref. 110: p. 44]

This system has the major impact, along with the equipment acquisition decision system (DSARC) in determining U.S. military posture. The failure of this system would have far reaching effects on our military capability. [Ref. 111: p. 44]

The Planning phase concentrates on determining the threat to U.S. forces based on intelligence estimates. These estimates form the basis for what will be required in order to prepare the armed forces to counter the threat. The Joint Chiefs combine the requirements from the unified and specified commanders to meet the threat, and develop the "minimum risk force" which is unprioritized. [Ref. 112: p. 7] This minimum risk force is developed without fiscal constraint. It becomes the basis for the "planning force".

The Joint Strategic Planning Document (JSPD) prioritizes the missions of the minimum risk force which then becomes the planning force. The JSPD utilizes this planning force by sequencing it to carry out the military strategy at an increased level of risk, but with a reasonable assurance of success. The JSPD is then utilized to influence the development of the Defense Guidance. [Ref. 113: p. 7]

The Programming phase focusses on the Services. The Services utilize the Defense Guidance to translate policy statements by SECDEF into actual programs that require funding. These funding requirements are forwarded to OSD through the Program Objective Memorandum or POM. The POM is a document which specifies the fiscal requirements for the funding of required programs over a five year period, hence the Five Year Defense Plan (FYDP).

The POM addresses service requirements in the areas of forces, manpower, equipment and logistic support to meet the policy requirements established in the DG. The Joint Chiefs receive a copy of the various POMs, and comment on their ability to meet the national military strategy, through the Joint Program Assessment Memorandum (JPAM). [Ref. 114: p. 7]

The last phase, the Budgeting phase, commences with the DOD components submitting detailed budget estimates to OSD. In this phase, the Services are submitting these estimates based on the approved programs, as well as budget guidance provided earlier, and any revised guidance issued during the year. The complete budget is reviewed for accuracy in pricing, production schedules and consistency with OSD's readiness objectives. The budget is reviewed jointly by OSD and the Office of Management and Budget (OMB). The final draft of the budget is then presented to the President for approval. [Ref. 115: p. 5]

2. Merging Programming and Budgeting

The preceding section identified what PPBS is, and essentially how it works. The CSIS study established the following reasons for changing this system by merging the two phases of programming and budgeting:

1. The two phases have evolved into competing rather than complementary processes;
2. The budgeting phase has evolved into a separate decision-making process as opposed to its intended purpose of being limited to strictly costing out the first year of the approved program;
3. The budgeting phase now reconsiders issues decided in the programming phase;
4. The lack of a sufficient crosswalk creates difficulty for decision-makers to evaluate implications of budget cuts;
5. Programs are developed on the basis of outputs rather than inputs. Budgets are developed in terms of resource inputs. The FYDP, intended as a bridge between the two,²² is not a strong enough or responsive enough crosswalk.

These problems are exacerbated by the problem of assumed fiscal guidance, and what the President is willing to submit, and what the Congress approves. The wide differences between these groups makes it impossible to adequately program in advance.

These arguments are significant, and bear further comment. The allegation has been made that the DG is a primary source of the DOD's inability to adequately plan fiscal requirements. [Ref. 116: p. 47] The DG is the document SECDEF utilizes to direct the Services on the structure of the FYDP. The DG, however misleads the military leaders by over-optimism in the projected size of the defense budget. Without fiscal realism, programming becomes an exercise in futility. The DG is put together in committee format, making it susceptible to the same types of

²²A crosswalk is a means by which dollars in one phase in the budget can be translated "across" to equivalent dollars in another phase of the budget cycle.

criticisms as were found with the Joint Chiefs. All programs will be justified due to fear of retaliation if opposition to another's program is expressed. [Ref. 117: p. 48]

The lack of fiscal reality within the DG (the beginning of the programming process) makes the programming function essentially useless. Quoting Mark F. Cancian, in his article PPBS: Rude Awakening,

"One Navy programmer expressed the opinion that the only part of the DG he heeded was the fiscal guidance-the one page which allocated funding for the five-year period. The rest of the DG, being unexecutable and uncoordinated, he ignored." [Ref. 118: p. 48]

In the eyes of the user, the remaining rhetoric of the DG serves little purpose if the Services are restricted to, and charged with targeting those levels specified on the fiscal guidance page.

Other technical problems encountered in the programming phase include:

1. The levels of future funds promised to DOD are unrealistically high: all Presidents want to fully fund the defense of the Country, but each year there is a funding crisis which significantly cuts into the level expected by our military leaders in the programming stage;
2. Costs are never the same as they are forecasted: predicting the costs of programs which are currently not in existence is almost futile in the face of a multitude of variables which could potentially effect that program through out its development;
3. Inflation figures are often projected as initially high, but tapering-off over time: the anti-inflation programs which each administration implements are notoriously over-optimistic by assuming reductions in inflation based on the success of their anti-inflation program. This creates a built-in cost increase when the anti-inflation program proves to be less successful than predicted; .
4. As a program approaches its year of execution, continuous adjustments are made: as funding becomes less and less available the closer a project reaches its start or execution date, the program experiences greater and greater reductions in approved funding. Accurate programming becomes impossible. Those in positions of leadership continue to optimistically

predict the availability of funds in the future, delaying, or negating hard decisions such as cancellation of now unaffordable programs. [Ref. 119: pp. 48-51]

A further example of the the instability of the program cycle is highlighted in the FY82 budget programming phase. There were 160 priority changes in the budget phase of FY82 for decisions already made in the programming cycle.

"In the Navy shipbuilding program, which by its nature should be long-term and stable, major initiatives were alternatively inserted and later dropped out as the cycle progressed. Over the many months required to reach a decision, all of the reviews and analyses by the various technical and contract offices were redone repeatedly." [Ref. 120: p. 572]

As mentioned previously, the Joint Chiefs review the POMs submitted by the Services to assess the risk in implementing these programs. Due to the timing of this review, along with the exclusion of the Joint Chiefs in the programming cycle, the views of the Joint Chiefs are seldom incorporated in the issue papers submitted for review by OSD.²³ [Ref. 121: p. 572]

The budgeting phase suffers from many of the same problems as the programming phase. The "tail-end perturbations" experienced just prior to presentation of the President's budget to Congress cause significant frustration to the process. They are created from changes in the President's decisions on funding levels or revised inflation forecasts, or both. With new decisions (equivalent to new policy) DOD is faced with incorporating these changes into the proposed budget. This cannot be accomplished without disrupting the programs which have been developed over a period of many months. The result is

²³The OSD central staff prepares these issue papers for analysis of the POMs to determine their conformity to the guidance established in the DG.

"a crash series of meetings culminating in conflicting guidance and unbalanced resource allocation for some program areas, a persistent 'ripple effect' on program justification to Congress, reorientation of policy and implementation of budget decisions."
[Ref. 122: p. 572]

The problems of the budget phase are not just similar to the problems of the programming phase. Likewise, the problems of the programming phase are not just similar to the problems of the budgeting phase. Infact, they impact significantly upon each other. The two sets of problems are literally tied together, creating a Catch-22. Because of the massive requirements of the defense organization, it would be virtually impossible to reduce the size of the defense budget without major changes and orientations in current national policy. This in effect means that the defense budget will either remain at its current level, or increase by virtue of inflation over time.

As long as national military objectives remain the same, the need for a massive defense budget will exist. As long as the wide spectrum of national military objectives remains the same, the military establishment will program for it. As those programs are submitted, the President will continue to face the problem of deficit reduction in all areas of the budget including defense.

This dilemma will inevitably result in the cutting of programs prior to submission of the President's budget, causing a revamping of the program decisions already made. As long as the two phases are dealt with separately, they are destined to experience the same problems they have been experiencing for a very long time.

C. PROPOSAL 2: EVALUATION OF CURRENT AND FUTURE PROGRAMS

The CSIS study states its proposal for enhancing the evaluation aspects of DOD budgeting as follows:

"The Department of Defense should implement an explicit evaluation process that systematically reviews progress made in implementing programs and cycles that information into subsequent planning, programming, and budgeting phases. In effect, this evaluation system would constitute a fourth phase of PPBS, completing the allocation cycle by linking objectives to performance standards.

Specifically, the CSIS study recommends three measures:

1. Conducting programming, budgeting, and execution processes within a unified accounting structure;
2. Supplementing the current obligation-based accounting system with reporting on an accrual basis;
3. Improving management information systems to enable decision makers to evaluate progress toward identified objectives.

1. Accrual Accounting as a Unified Accounting Structure

The CSIS study develops their justification for a unified accounting structure and the addition of accrual accounting, along parallel lines. They will be discussed as one issue here. The CSIS study starts its reasoning for these changes as follows:

"The value of merging programming and budgeting would be enhanced by parallel improvements in the accounting system. The new system should record the use of resources in the same manner as they are planned, programmed, and budgeted. In this way, the reported status of current programs would provide valuable performance and cost information for decisions in the planning cycle for future years."

They continue their argument by stating that DOD currently has literally reams of reports, data, and financial information which is often inconsistent, incomplete, and untimely. They feel the accounting base itself is inadequate to support effective evaluation of this data. They continue by saying:

"The Department of Defense should also update and improve its accounting system to provide complete, accurate, and timely cost information to decision makers. The accounting system should record the use of resources on an accrual, as well as an obligational,

basis. Accounting on an accrual basis (recording resources as they are expended) is a key factor in improving the evaluation system, in that it would provide the basis for judging the impact of spending on a program in terms of its outputs."

It should be noted at this point, that the Blue Ribbon Defense Panel reviewed this area during their study in 1970. Their findings are not supportive of the proposal to shift to an accrual method. Infact, they recommend against instituting accrual accounting within DOD. The reasons for this recommendation are essentially three-fold:

1. The traditional accounting methods within DOD reflect cash flow and commitments, and have sufficed for management needs;
2. Accrual accounting is more costly, and provides, with few exceptions, little benefit in a non-business organization;
3. Only commands such as the Military Airlift Command, which operates on a working capital fund, allocating costs for establishing rates or tariffs for services should use an accrual method. [Ref. 123: p. 129]

Their specific finding reads as follows:

"Accrual accounting systems in the Department of Defense should be confined to those Service activities which operate under stock funds or industrial funds, and which are required to establish service charges which reflect total costs." [Ref. 124: p. 129]

The CSIS study, and others, point out why those reasons mentioned above, may not be sufficient for rejecting the proposal of accrual accounting. To start our evaluation in this area, it is appropriate to first discuss what are "accrual" and "obligational" methods of accounting. Obligational accounting, the system currently in effect within DOD, bases the recording of an economic event at the time that resources are "obligated" for it. Stated differently, this system records an expenditure when an obligation takes place, rather than when an item is consumed. [Ref. 125: p. 236] The major drawback of this

system, is that DOD does not and cannot monitor the rate at which resources are used up.

The accrual method of accounting, records costs when items are "consumed". As an example, inventories are posted when received, but not recorded as a cost until they are used (issued). Under the obligation method, the cost would be incurred when the inventory was purchased for later receipt and storage in the warehouse. There is no accurate method to measure how much of an item has been used in operations until the warehouse bin reaches its reorder point. The only known quantity is how much was reordered to stock the shelves, not the rate of consumption of an item.

The accrual method makes possible the evaluation of financial operations by knowing how much is being consumed as it is issued. The obligation method can only tell what was consumed at the end of the period (quarterly, semiannually, annually).

An additional advantage to the accrual method, is financial reports are comparable. This forms the basis for analysis and evaluation of DOD costs over a period of time, the very element absent from DOD's current obligational method. [Ref. 126: p. 367]

In comparing current DOD accounting practices with that of private industry, the difference between the two systems (obligational versus accrual) becomes even more apparent. Quoting Morris A. Copeland from his book Trends in Government Financing,

"The established accrual accounting practices of private business draw a sharp line between capital expenditure and the means of financing them, on the one hand, and charges and credits to the income account, on the other. These practices make for a clean-cut separation of the capital from the annual budget. Through the balance sheet business financial reports tie capital requirements in the physical sense and capital requirements in the financial sense together. Government accounting practices are quite different; the development of accrual conventions has not gone very

far. Only a few general government units (nonenterprise, and non-trust units) have anything called a capital budget, and none of these maintains a set of accrual accounts that provide a full-fledged balance sheet. The accounting tie between the two types of capital requirements is, for the most part, missing."

He continues by saying,

" . . . conceivably a wider application of business like techniques in government fiscal procedures may bring about a closer relation between government physical and financial capital requirements" [Ref. 127: p. 6]

The bottom line of the CSIS proposal, and the previous discussion, is there is presently no way to evaluate current DOD operations. There is first, no way to compare one year (month, week, day) to the last. Second, there is no link between the accounting for resources used, and resources being planned for. Even at year end, there is no way to establish what the usage for a particular item was, except through separate count. The costs of operations are distorted by the unknown of how much was used. It is known how much was obligated, but obligations do not indicate actual consumption. An agency could easily order excessive amounts of materials, but hold them in inventory. The obligation records these items as costs of operations, when they were infact never utilized. An accrual method of accounting would provide the means for accurate cost assessment and evaluation of operations at any time during a given year.

As an example, a fund holder pays a contractor for a service. Particularly in the long-term case, there is no way to evaluate if DOD is getting its money's worth from that contractor. There is no way to monitor the use of resources as they occur. In obligational accounting, the money goes out, but it is unclear what DOD is getting in return, until the end of the project. Under accrual

accounting, the output can be partially measured, or at least monitored as the inputs are utilized. Under accrual accounting, the question can be asked: "Are we going where we want to go?" If not, let's adjust and make it work right. This information should be an integral part of the PPB system. If things are going right, don't tinker with them. If they are not, this can be detected, and the situation can be corrected before too many resources are committed to a project which will not result in a desired output.

2. Improving Management Information Systems

The proposal for improved Management Information Systems (MIS) is stated as follows:

"... The Department of Defense should adopt more comprehensive management information systems in order to assess performance in crucial areas such as equipment maintenance and combat readiness.

The CSIS study does not detail the requirements for such a proposal. Their opinion is that each system would have to be tailored to the individual function which utilized it. The inclusion of this recommendation is intended to address the issue as one which needs attention. The CSIS group views this area as too extensive for evaluation in the study. However, they recognize the need for improvements and considered its mention as worthwhile.

The installation of new and upgraded MIS capabilities through out DOD has increased significantly over the past several years. The opportunity for greatly expanded use, however, is significant.

The Navy currently utilizes one of the most advanced computer systems in the world in its meteorological tracking and forecasting center in Monterey, California.²⁴ Not all

²⁴This system is one of four in existence, and is the most expensive and technologically advanced computer systems

MIS installations are expensive, nor do they need to be extremely sophisticated. The utilization of such a worthy resource as computer technology should be expanded far beyond its present level. The drafters of the CSIS study feel that it is an area which is currently under-developed within DOD, and one which can be of significant value in enhancing the breadth of proposals for improving the DOD organization.

D. PROPOSAL 3: DEVELOPMENT OF A CAPITAL INVESTMENT PLAN

The recommendation for a capital investment plan is as follows:

"The Department of Defense should develop an overall, long-range capital investment plan to provide a sound basis for force development and acquisition. In this context, the department will require more accurate cost projections for major weapon systems."

In the past, it has generally been accepted that a capital investment plan is worthwhile when the objective is to facilitate long-term planning. That is, if an organization undertakes projects which will last for more than a year, or even multiple years (3 or more), then an investment plan to program capital resources into those projects is beneficial. Greater effectiveness in the allocation of resources can be achieved through planning out fiscal requirements. Organizations which do not engage in multiple year projects have a much lower need for a capital investment plan.

Until the establishment of PPBS within DOD, budgeting in the Services was essentially on an annual basis. Contracts were established, and projects were undertaken which fell into the multiple year categories, however, there was no multiple year fiscal planning on the part of DOD. With the

in the world.

advent of PPBS, the Services were forced to establish plans which delineated requirements for five years into the future. Resource requirements were identified and included in the President's Budget annually.

Although the formal establishment of resource requirements, tied to current or planned projects, was a step in the right direction, there was no formal capital investment plan to guide the conduct and funding of those projects. It is this investment plan that the CSIS study identifies as a significant drawback to the current DOD operation.

This plan would not be a duplication of the Five Year Defense Plan. The CSIS study states its reasoning as follows:

"Because major system development takes eight to twelve years, this plan should be based on a 15-year assessment of the nature and scope of the military threat. To be useful, it should be constrained by a realistic estimate of the resources likely to be available for defense . . . Once the plan had been prepared, the primary task would be to prepare an annual update that would take into account shifts in the assessment of threats posed to the nation, new technological opportunities, and altered judgments of fiscal constraints on future defense budgets . . . The long-range investment plan would not be an extension of the FYDP. It would be less detailed and would be used by defense decision makers as a planning guide, not a definitive decision document."

The CSIS group projects the usefulness of such a plan in two ways:

1. It would provide a road map to each major mission area that linked national strategic objectives with major acquisition programs;
2. It would highlight aggregate demand on the overall resources DOD is likely to have available over the next 15 years.

Implicit in the implementation of this plan would be the requirement for accurate cost estimates. This area is not one which is as easily dealt with as the benefits for the

capital investment plan itself. Cost estimates, as stated in the CSIS study, are often distorted for several reasons. To be able to obtain more accurate cost estimates for this plan because it will look so far into the future may be doubly difficult. However, the possession of an estimate, be it accurate, or even somewhat distorted, is better than having no idea of what future requirements will be.

E. PROPOSAL 4: INTERNAL CONTRACTS TO GUIDE DOD

The CSIS study proposes an adjunct to the capital investment plan. In addition to the long-range investment plan, they recommend two supporting measures to increase the stability of programs:

1. Congress should review the defense budget request on a biennial basis;
2. Military services should be required to establish internal contracts that set cost, performance, and schedule baselines for their weapon programs, including reserves that are commensurate with the uncertainties entailed.

The first proposal, reviewing the budget biennially, has already been evaluated, and will be discussed in the conclusion section of this chapter.

One of the major criticisms of the present planning process which we have already seen concerns the tendency of OSD and Congress to reevaluate, and reconsider decisions which had previously been made. The intent behind the second proposal to establish internal contracts, is aimed at limiting this tendency throughout DOD, specifically within the services.

The major problems with the current system are stated in the CSIS report as follows:

"The acquisition process suffers greatly from what one observer has called its 'ubiquitous turbulence': shifting funding levels, lengthening production schedules, frequent personnel transfers, and rapidly changing design specifications. Continual revisions in a program divert management attention from the task at hand, encourage inefficiency, discourage capital

investment by contractors, " and undermine employee motivation and morale"

The CSIS proposal attempts to negate these tendencies of over-reevaluation, and create stability within acquisition programs.

This proposal utilizes a successful program invented by the Air Force for its major weapons acquisition programs. This program essentially works as a baselining technique. As stated in the CSIS report, each Service would establish an "internal contract" for each weapon system program. These contracts would specify the desired performance parameters as well as annual funding levels, quantities, and requisite production schedules. Once these contracts were established, they could not be altered without direct approval by the Service Secretary as a result of an explicit review.

The legality of the contract is not an area of concern. The concern is discouragement of both the Service itself, and OSD (specifically the research and engineering office) from creating perturbations within the program by initiating frequent design changes.

This is not to suggest that the program could not potentially include design changes if warranted. Changes could, infact, be made. They would require a significant enough return, however, to require the attention of the Service Secretary. Less significant changes would be combined and included in the program only as the system required development of a newer version.

The internal contracts would be extremely legal, at least within the military establishment. Just as Reimbursement for Services contracts presently bind user and host facilities in the payment by the user to the host for services rendered and consumed, these contracts would be unalterable except by the Service Secretary. The requisite

need for changing a contract would have to be greatly increased before action would ever be taken. The Service Secretary would presumably be willing to entertain only those items of considerable importance, and impact to the program. The problem of nickel and diming a program into significant additional funding levels and extended production schedules may be greatly reduced.

F. PROPOSAL 5: CREATION OF MARKET INCENTIVES TO REDUCE COSTS

The last set of proposals in the CSIS study concern various aspects of reducing costs through the creation of market incentives, and is stated as follows: The Department of Defense should seek to create market incentives to reduce costs in the defense acquisition process. Specifically:

1. Promoting competition among defense contractors throughout the life of a weapon program;
2. Allowing Contractors to increase profit margins when costs fall;
3. Encouraging the services to reinvest cost savings toward increased quantities or improved performance of the same weapon system;
4. Enhancing career opportunities and training of acquisition managers;
5. Establishing unit cost as a primary criterion in the initial design of weapons;

1. Lifetime Contractor Competition for Weapons Programs

The present practice within DOD for contracting weapons systems is to take bids from several different contractors, and award the contract to the lowest bidder. At this point, there is, in general, no further pursuit of a more cost-effective producer of the product. Essentially, when a contract is let, it stays with the contractor until the contract is completed. In many instances, even after the initial contract, follow-on requirements, such as increased quantities of a missile, or a tank, or a ship, etc., remain with the original contractor.

A new approach for DOD is the establishment of a program where a contract would not remain with the original contractor if another contractor could offer a bid below the present contract.

As stated by the CSIS study,

"In the commercial world, the maintenance of some form of alternative-either between two suppliers for the same product or between two products for the same mission-is the norm . . . competition throughout the development and production phases of a weapon program would provide incentives for lower costs and greater performance. It would also reduce the opportunities for contractors to "buy in" to a sole-source contract with an optimistically low bid."

The main point here, is that competition throughout a program's life will maintain pressure on the original contractor to meet its original cost estimates. With the potential for second and third parties to takeover a contract through a lower bid, the potential for increasing costs on the part of the contractor will be significantly reduced.

2. Increased Profits From Cost Savings

Current practice within DOD is to recoup any savings a contractor experiences back to DOD. Few incentives have been available to contractors in the past for cost savings. In private industry, the individual firm raises and lowers its profit margin, sometimes daily, by the increase or decrease it experiences in its cost of production, marketing, sales, etc. These are factors of competition and production which are not working in the defense contracting industry. When a firm achieves a reduction in manufacturing costs, either through more efficient processes, or greater skill in purchasing raw materials, or better marketing at lower costs, the firm rewards itself for these efficiencies through increased profits. Assuming selling price and volume stay the same, profits must go up if costs are reduced.

The incentive to work better and smarter is being withdrawn from defense contractors. In this industry, once a contract is made, sales volume is essentially fixed (assuming no adjustments to the contract). Price is supposedly fixed. The profit a contractor receives is established by the previous year's contract plus some profit margin. If costs increased in the previous year, the same profit is still realized on the next contract. No incentive is given for improved efficiency.

Private industry is motivated through the lure of increased profits. There are several ways to achieve greater profits. The two most elementary ways to increase the selling price (if the market will bear it) or cut costs. The coupling of the previous proposal for continuous competition (which motivates industry to keep prices down) and allowing the increase of profits from cost savings, a downward pressure on the cost to DOD for weapon procurement will be created. Industry will not be able to rely on a given level of profit. However, profits could be increased through more efficient production.

The CSIS study recognizes that the incentive to achieve cost savings must be supported by the inverse - prevention of cost overruns. The study states,

"The Department of Defense should adjust the future profit margins of defense contractors to reward cost underruns and punish cost overruns. We propose that the negotiated profit margin be adjusted up or down based upon the contractor's prior-year performance in meeting the planned unit costs for its product. If costs exceed those specified in the contract, the profit margin on the next contract would be reduced. Conversely, if costs fall below those in the planned budget, the profit margin would be increased. In this way, both the government and the supplier would benefit from lower costs."

3. Reinvestment of Cost Savings

As was stated earlier, the current practice for dealing with cost savings is for the Service involved to

return the money saved to DOD in the form of cost savings to the government. Another alternative, which could compliment the proposal for allowing increased profits, is to utilize cost savings in the procurement of larger numbers of the same item, or in improvements in the item.

The current system essentially encourages the Services to keep costs at the negotiated price. Although there are undesirable effects of cost overruns, there are presently undesirable effects from cost underruns. When the Services experience a cost saving, the approach taken by Congress is to ask the question, "What is wrong with your budgeting process? Why can't DOD accurately predict how much a program will cost?" This obviously creates another "Catch-22" situation with which the Services must deal. If DOD comes in under budget, it is criticized. If it comes in over budget, it is criticized.

The Congress generally responds by decreasing the budget in the next fiscal year by the amount saved. As stated in the CSIS report,

"The military services have little incentive to reduce unit costs. Because the number of systems to be procured is usually fixed, any savings from reductions in unit costs usually end up as budget cuts in the next fiscal year."

The attitudes are not focused on the aspect of rewarding DOD for coming in under budget, but chastizing them for being fiscally irresponsible in planning, and punishment by erroneously lowering funding levels in the coming year.

The major focus for reform should also include a reorientation of thinking on the part of Congress (and DOD personnel) to view cost savings as positive rather than negative. Congress must realize that DOD has a requirement for the protection of public funds just as does Congress. A lack of cooperative effort and a feeling of distrust on the

part of Congress exacerbates rather than improves the situation.

4. Enhanced Career Opportunities for Acquisition Managers

One of the areas which professional military officers tend to vigorously shy away from is the area of military procurement. This is not surprising in view of the fact that unless an individual is in a "supply" career path, he generally does not know the details of the procurement business, and it is not a "career-enhancing" job for him. As stated by the CSIS study,

". . . the military personnel system does not provide adequate incentives for officers to seek assignments in acquisition management. Most military officers recognize that there are limited opportunities for enhancing their careers in the acquisition world. Accordingly, many seek to avoid such duty and those who do serve in acquisition management positions seldom seek further assignments. The result is that the overall experience levels and training of uniformed personnel in acquisition is inadequate."

One of the recent developments in this area is in the Navy's "Material Professional" program. This is a new program created by Secretary of the Navy Lehman with the purpose of bolstering this area of concern. The intent of the program is to select "front-running" individuals for indoctrination into this program, creating a cadre of future leaders who have "hands-on" experience in the acquisition world. These individuals will form the basis for an eventual one third of the Navy's officer corps which will be material professionals. The area of military procurement is so broad, that Secretary Lehman foresees the need for an extremely large percentage of the Navy's officer corps to be involved in the acquisition business.

This program will not only create a more sensitive population within the Navy to the problems and responsibilities of procurement, but it will provide a

professional group of "home-grown" specialists to deal with these issues. This program reflects the Navy's recognition of the importance of this area presently, but more significantly, the vast growth in this area in the future.

5. Unit Cost as a Primary Criterion for Weapons Design

Recent statements throughout the media (newspapers, magazines, television programs) assert that there is little concern for the cost of programs within DOD. Many feel that this is not just an allegation, but a reality. As stated in the CSIS study,

". . . cost is rarely a primary criterion in the design of weapons: it is derived instead from performance criteria. The normal Department of Defense procedure is to optimize weapon designs for maximum performance with limited attention to unit cost. The department then seeks industry bids on those specifications, awarding the contract to the lowest responsible bidder. This practice discourages employing advanced technology to lower costs. It also makes it difficult to determine systematically the marginal costs of specific improvements in performance, thus complicating assessments of the tradeoffs between fewer highly capable weapons and a greater number of somewhat less capable weapons."

The CSIS study contends taking advantage of advancements in technology will in itself reduce costs in addition to maximizing performance. Unit cost is the key to this assertion. The report continues by saying,

"Contractors would be required to meet these cost limitations (limitations imposed by unit cost criteria), just as they are expected to meet specified performance parameters. Indeed, the inclusion of cost as a primary design parameter would promote explicit tradeoffs between improved performance and lower unit costs with larger numbers deployed."

The times of not being concerned about costs of weapons systems have long been a thing of the past. Even with the recent upsurge of funding with the takeover by the Reagan administration, the cost of items procured has been significantly scrutinized, if not by DOD, by Congress, and

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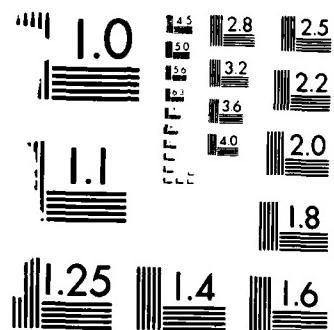
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the administration. The increased source of funding in this administration does not reflect an insensitivity to costs, but rather a commitment to modernize a military force which was inferior to the Soviet Union in many areas. Thus, increased defense spending was a reflection of the necessity to bring U.S. military strength up to speed. The cost of getting the military establishment where it needed to be, abreast of Soviet expansion, has been evaluated in depth all along the way.

The present relaxation of congressional support of increased defense spending makes clear the need to continue to evaluate all dollars spent. The employment of unit cost as a criterion for system selection, given the desired characteristics of the system are met, is worthy, and reflects efficiency in defense fiscal resources.

G. CONCLUSIONS

This chapter has focussed on the following major areas, some of which have been established as problem areas in previous chapters:

1. Accuracy of policy guidance, and the development of that guidance;
2. Making the budget process more efficient;
3. Establishing worthwhile evaluation processes;
4. Utilizing present technology to enhance management functions;
5. Acknowledging future long-range requirements now;
6. Preventing management practices which produce inflationary results through frequent modification of contracts;
7. Reducing costs through free competition market incentives.

In many ways, this chapter is an eclectic composition. It is not intended to be a catch-all. It does address several areas of concern which fall under the force development and acquisition category. All of these proposals are of concern to the Joint Chiefs. They all

effect, in some way, the effectiveness of JCS in its political arena. Although it could be considered "reaching" to say these are military problems, therefore, the Joint Chiefs are effected by them, it is also a fairly accurate statement. Its significance is probably greater than most would admit.

The JCS is concerned, first, and foremost, with the effectiveness of the military forces. Their outfitting, training, and efficient employment all reflect the results of the Joint Chiefs' abilities to identify threats and influence the fiscal resources appropriated to the military establishment in order for the Services to adequately prepare for combat. The Joint Chiefs also realize that the reality of being effective in that role, is to be prepared for the political arena which will ultimately decide the level of funding the military receives.

As in all organizations, perceptions are one of the major ingredients in how an organization is viewed by other organizations. The perceptions of Congress, the administration, and even OSD all impact the approach these organizations will take in dealing with the issues of funding the Services. Whether the media reports of cost overruns, financial inefficiency, material readiness, etc. are true or not, they are received by Congress and the administration, and even in small ways, shape the perceptions of the military establishments in these organizations. The JCS organization must be prepared with the greatest ammunition possible to both establish and retain credibility in its political environment.

Again, to state the situation in elementary terms, the best defense is a good offense. The offense may presently be unsupportive of winning the game. Some may even question which offense is the most important to concentrate on. It can be stated, with some amount of certainty, that the Joint

Chiefs need several offenses. One of these is the adequacy of the fiscal resource processes within DOD. If the supporting processes are inadequate to effectively support the Joint Chiefs in their political environment, then the process should be changed. Perhaps, the cost overruns, and fiscal inefficiencies are in fact a result of poor supporting systems. The Joint Chiefs cannot effectively fight the political battle for more funds if the system they are working with, in the eyes of the organizations granting that funding, is wasteful, or incapable of utilizing those funds efficiently.

The arguments presented here may not cure all of the ills of the defense acquisition and development process, but they may go a long way in creating the perception that the Services are performing responsibly with the funds they are given. By improving the system, particularly in terms of getting the most for the money employed, the Joint Chiefs will gain a superior position in their political environment.

VII. SPRAA: THE POTENTIAL FOR CHANGE

A. OVERVIEW

This chapter does not deal specifically with a proposal in the CSIS study. It will review the development of a new organization within OJCS, not mentioned in the CSIS study or in the academic literature. It is appropriate to dedicate this chapter to this new organization because the organization, and its concept, potentially hold the key to resolving some of the influence problems associated with the JCS organization. This chapter will discuss the organization and intent of the Strategic Plans and Resource Analysis Agency (SPRAA), and evaluate its present and future role in supporting the Chairman, the Joint Chiefs and OJCS.

B. WHY SPRAA?

In May 1984, Congress directed JCS to develop within itself an agency which could perform an evaluative role on issues of interest. Specifically, the organizational charter states,

"The Strategic Plans and Resource Analysis Agency (SPRAA) assists the Joint Chiefs of Staff in fulfilling their statutory responsibilities to review the major materiel and personnel requirements of the Armed Forces in accordance with strategic and logistic plans. SPRAA provides analyses and recommendations concerning the impact of DOD program and budget proposals upon the warfighting capability of the Armed Forces. SPRAA is the OJCS focal point for resource implications in joint planning issues considered by the Joint Chiefs of Staff. [Ref. 128]

The primary reason behind SPRAA's development rests in the previous lack of evaluative capability within the JCS organization. Prior to SPRAA's development, OJCS did not have the capability, in office support, hardware, or manpower to provide an evaluation function. Various

sections within OJCS performed limited independent evaluations of issues. In general, however, evaluations were left to the various Planning Analysis and Evaluation (PA & E) groups within the military service departments. The Joint Chiefs, and specifically the Chairman, did not have the benefit of an independent agency which could perform program or issue analyses. The SPRAA organization was created to fill this void.

Questions may still remain concerning the need for the organization. Why do the Chairman and OJCS need an independent evaluation and analysis agency? Why duplicate the efforts currently performed by the Services? The answer is simple. The JCS organization needs an unbiased evaluation of proposals. Programs desired by the Services will inevitably be presented by them in a positive light for approval. Programs no longer desired by a Service will be negatively presented. The Joint Chiefs need a second opinion developed by an independent body, not tied to the Service's interests. Without an organization such as SPRAA, that independent analysis is not available.

C. HOW SPRAA IS MANNED AND ORGANIZED

The SPRAA organization is headed by the Director, a two star billet. He is assisted by an Executive Officer (normally an O-5), and the heads of the various functional areas (normally O-6's). SPRAA is presently manned with twenty-eight officers and fourteen civilians (a total of forty-two). There are four additional civilian billets authorized, but currently unfilled. This manning level will probably remain constant for the immediate future.

The SPRAA organization supports the Director-OJCS. By line diagram, they do not work directly for the Chairman, however, their inputs go to him as well as the other Joint Chiefs.

The SPRAA organization is currently made up of three major divisions (Force Programs and Manpower Analysis, Program and Budget Analysis, and Weapons/Support Systems Analysis), and two support offices (Concepts and Doctrine, and Data Automation). Briefly, the missions of these separate functional areas are as follows:

1. Force Programs and Manpower Analysis Division: responsible for force structure and manpower requirement analyses and other warfighting assessment studies. Specifically, they will:
 - a) Coordinate the preparation of force and manpower-related portions of the Joint Strategic Planning System (JSPS) documents;
 - b) Direct analyses and studies of resource allocations, readiness, sustainability, modernization and force structure;
 - c) Coordinate on specific issues of interest to the JCS within manpower and force structure areas.
2. Program and Budget Analysis Division: responsible for program/budget assessments and reviews as well as congressional matters that impact resource allocations. Specifically, they will:
 - a) Assist CJCS in DRB and Congress;
 - b) Assess PPBS issues and Program/Budget Review;
 - c) Coordinate the Joint Staff input to the SECDEF Annual Report to Congress;
 - d) Serve as the Joint Staff focal point of contact with CINC's, Military Services, and DOD for resource allocation matters within the PPBS.
3. Weapons/Support Systems Analysis Division: responsible for assessment of weapons and weapon support. Specifically, they will:
 - a) Prepare CJCS representative for Defense System Acquisition Review Council (DSARC) milestone

- meeting except C3 systems and SECDEF update briefing/performance reviews;
 - b) Prepare DJS for his participation as a member of the Joint Requirements and Management Board (JRMB);
 - c) Provide OJCS interface with the Defense Science Board and coordinate Joint Staff review of the USDRE Posture Statement.
4. Concepts and Doctrine: responsible for integrating planning guidance and joint and combined doctrine with programs and budgets, force structures, and weapons and support systems. Specifically, they will:
- a) Maintain a reference for comparing Service programs with plans, doctrine, and force guidance;
 - b) Maintain currency on developments by the OJCS of joint and combined doctrine and strategic and logistic plans for the Armed Forces;
 - c) Assist the Director, Joint Staff on special issues which require integration within the OJCS.
[Ref. 129]

D. WHAT SPRAA CURRENTLY DOES

The SPRAA organization is essentially performing all of the tasks stated above, as well as others. The areas of interest involve not only evaluation of activities and programs of the Services on specific issues, but SPRAA is involved in, and has successfully contributed to the evaluation of the operation of OJCS. As previously discussed, the paper process for the routing of issue papers by action officers was substantially changed through MOP 132 which was written by the SPRAA organization.

As can be seen, the function and intent of SPRAA can be applied to internal review as well as other JCS interests.

If the value of the product turned-out by SPRAA could be measured by this one contribution alone, it can be fairly stated that SPRAA will provide a worthwhile input to those utilizing the organization as an evaluative resource.

In the budget area, SPRAA is currently performing a major task (as stated above) in acting as a focal point for the CINC's in their input to the budget process. Until very recently, the CINC's had virtually no input or voice in this area. There was no effective method by which the CINC's could input the budget process. With respect to CINC involvement in PPBS alone, SPRAA is currently providing the following services:

1. Represent CINC's PPBS views to the Chairman, in his capacity as the spokesman of the commanders of the combat commands on operational requirements;
2. Provide single point of contact in OJCS for the programming and budgeting phases;
3. Manage CINC's impact on the budget, the Defense Guidance and the POM preparation;
4. Provide CINC's copies of the military department and the defense agencies POM's and related material (issue books, PDMs, PBDs, DOD portion of the President's Budget);
5. Provide CINC's documents to assist in preparation for Congressional testimony;
6. Provide assessment to JCS on CINC's problem areas;
7. Monitor treatment of CINC issues during the DRB program review.

Through the SPRAA organization, the CINC's may now transmit directly to JCS a prioritized list reflecting their most pressing budget requirements. Item six in the list above acts as a relief valve for the CINC's. When a CINC feels he is not getting his message through to a particular Service in the budget area, he now has an alternate method by which he can get his concerns known.

The SPRAA organization now receives a "top ten" problem list from each CINC. This list addresses the problem areas where the CINC feels he must have more support than he is

currently receiving. SPRAA then evaluates and prioritizes these lists into a document the Chairman can utilize in the DRB. SPRAA performs the role of the CINC representative to the Chairman in this area. SPRAA evaluates the problem areas and forwards that evaluation to the Chairman, thus providing one more method by which the CINC can input the budget process.

E. SPRAA'S FUTURE ROLE

There is probably no theoretical limit to which SPRAA will be restricted in its future role. As the organization grows and refines its capabilities, it will expand to the extent that its leaders, and those above it utilize its potential. Essentially, its future utilization is dependent upon the vision and desires of the Chairman and the Director of the Joint Staff. SPRAA's director will be in the best position to visualize the organization's potential, and advise others as to its most effective and efficient employment.

From its own perspective, the SPRAA organization envisions its missions expanding in the following areas:

1. Manage CINC's impact on the DG, the POM, and on budget preparation;
2. Isolate DRB issues early for the Joint Chiefs;
3. Prepare the Chairman for the DRB program review;
4. Prepare the Chairman for Congressional testimony;
5. Identify resource impacts on war fighting capability;
6. Identify joint system candidates for management;
7. Provide support for the Joint Resources Management Board (JRMB);
8. Perform special actions as directed.

SPRAA additionally envisions itself performing further evaluation and recommendation through the use of a mathematical model (now under development) which will enable it to provide optimal alternatives and recommend decisions

on budget issues.²⁵ This model will essentially consider the trade-offs involved in weapons systems for various budget constraints. There is currently no mechanism available which can provide this information. There is skepticism in its application. Developing this model has been compared with attempting to model the world. The model will obviously require a great deal of evaluation to determine its ability to predict accurately and produce viable decisions. This model can potentially provide the Chairman with analysis information he does not currently possess.

These future roles center around support of the Chairman. Although they deal with all functional areas of JCS operations, their central aim is that of supporting the Chairman by preparing him with accurate evaluative information he can utilize in working within his echelon of interaction.

Another example of the type of support needed by the Chairman concerns the evaluation of the current readiness of the armed forces. The Chairman presently relies on the information contained in the Unit Readiness and Identification Report (UNITREP System) to indicate the capabilities of our defense forces. The Chairman has no other method of evaluation available to him. The major drawback of this system is its inability to communicate to the reader the "capability" (increase/decrease or no change) resulting from resource allocation issues, even though this is what it is being utilized for. Congress has utilized the UNITREP system to demonstrate how the military is mis-spending its funds.

During the Reagan administration's military build up, the capabilities of the armed forces have expanded significantly. At the same time, however, readiness has not

²⁵SPRAA is one of many organizations working on this type of model

significantly changed.²⁶ The armed forces will only retain an average level of readiness on a day to day basis. Capability, however, will change as funds are utilized to purchase new systems. Infact, capability has expanded considerably in recent years.

Congress suffers from a distorted opinion that as money is pumped into the defense establishment, readiness will increase. This is not necessarily true. Maintaining high levels of readiness depends on no delays in parts delivery, no personnel sickness or death, and no delay in getting required training for all personnel. All of these are impossibilities which cannot be controlled regardless of the amount of money poured into defense. And yet, it is by this measurement that the military is being judged in evaluating its effectiveness and efficiency in resource allocation.

Congress perceives DOD as out of control. The allegation is that DOD is wasting money if readiness is not going up, particularly in view of the large amount of money having been allocated to DOD in recent years. Lack of increased readiness results in JCS and the Services being perceived as poor managers. If they can't do it right with the money they have already been given, why should they be given more?

It is this type of misunderstanding that the Chairman is in the best position to deal with. By the end of calender 1985, SPRAA expects to be able to provide the Chairman with worthwhile information which equates resource allocation with changes in capability. SPRAA's evaluation of resource commitment as an input, and capability as an output, will

²⁶This is not completely true. Readiness has increased due to the massive expansion in repair parts availability alone. However, readiness levels fluctuate as systems fail through use, and are repaired and brought back on line. Readiness goes up and down on a daily basis specifically because systems fail through use, and must be repaired. Capability only expands or reduces through the addition or deletion of whole systems, not components of those systems.

provide the Chairman an accurate picture of efficiency and effectiveness in this area.

This one factor, by itself, can significantly enhance JCS influence over the budget process. It can significantly increase the credibility of JCS within the political arena. The Joint Chiefs are in great need of increased trust and credibility on the part of Congress, SECDEF and all of the organizations which desire straight forward well-analyzed and fully considered military advice. The role of the SPRAA organization will be crucial in this process; more emphatically, it will probably not be possible without them. SPRAA can make great strides for the Chairman and the military establishment by providing an evaluative process resulting in accurate information for the Chairman to utilize. SPRAA can play a key role in enhancing the military's, and hence, the Joint Chiefs' credibility in the political arena.

F. THE BIG QUESTION

All of what has been said thus far concerning SPRAA looks at its potential in assisting the Joint Chiefs, specifically the Chairman, in independent analysis. The big question is whether or not SPRAA will be given the continued independence it requires to perform this task. It should be clear that SPRAA has the potential for performing in the ways already mentioned. The major drawback perceived is the dependence on SPRAA for information.

SPRAA is not independent. It must depend on the Services for information and data. SPRAA does not have a cadre of individuals who can go out and collect data independently for its use. It must, by design, depend on the Services to provide it with information. If the information provided by the Service is biased (the Service will almost always know what the information will be used for), then this in itself brings into question the

independence and therefore the usefulness of any conclusion SPRAA may reach.

The major hope for this perceived system perturbation lies in the knowledge that the Action Officers within SPRAA deal with Action Officers in the Service staffs on a daily basis. The information source is established in each briefing. If the information is provided by the Navy, it is made clear at the beginning of the briefing that the Navy is responsible for its accuracy. Hence any improper conclusions which may be drawn from it, if it is skewed or biased unfairly, is the responsibility of the Service providing the data.

The problem of "jointness" and its threat of retaliation (mentioned previously) in this instance works in favor of the system by preventing one AO from providing biased information to another. In the words of one AO, "If you stick me in the back, it will only happen once." This may appear petty, and not in keeping with professional standards. It is, however, reality, and an effective check on the system.

Through a combination of the revised paper work procedure, and the adequacy of information provided by the services, it would appear that SPRAA has a very great potential for performing the roles established as an independent organization. The test of time is always worthwhile, but the mechanism appears to be solid and effective.

VIII. CONCLUSIONS

This paper has dealt with a wide variety of issues focusing on JCS influence on the budget process. Specifically, it has discussed the major proposals of the CSIS study published in February 1985. It has sought to determine whether those proposals will enhance the influence of the Joint Chiefs on budget issues.

One aspect of these issues is common. The recurring theme of problems caused by all involved in the process (the Chiefs themselves, their Services and Service staffs, and the Joint Staff), is not being able to think in joint terms and promoting protectionism. This appears to be at the heart of the influence problem. The political aspect of protecting one's own turf gets in the way of a more global perspective. The global perspective is what is solicited/desired specifically by those people who use the information provided by JCS.

The primary question at issue, is should there be a change in the current system. This begs the question of the need for change: or given the types of problems in the present system, would it be more productive to stick with the current system, or institute changes where possible. A review of the major problems identified within the JCS system, and the solutions proposed by the CSIS study is shown in Table 1.

The essential elements of the first seven problem areas have been argued from both sides. From a purely academic perspective, and from a realistic and practical standpoint, these issues and recommendations for change presented by the CSIS study appear workable and worth implementing. Although there is debate on both sides, the logic involved as well as the weight of the arguments favor the CSIS study.

TABLE 1
SUMMARY OF MAJOR JCS SYSTEM PROBLEMS AND SOLUTIONS

Problem	Solution
1. Inadequacies of policy guidance;	Chairman prepare planning recommendations realistically constrained by fiscal and policy guidance issued by SECDEF. (Thesis p. 30)
2. Lack of control by CINC over resource allocation for operational forces;	Provide for greater CINC involvement in budget matters. (Thesis p. 33)
3. Lack of consistency in policy guidance and Service mission;	Align policy guidance from OSD with the missions of the Services. (Thesis p. 43)
4. Inconsistent direction in areas of sustainability and readiness;	Create a third under secretary responsible for these areas. (Thesis p. 49)
5. Micro-management of DOD by the OSD staff;	Reduce the size of the OSD staff. (Thesis p. 52)
6. Congressional committee overlap with the budget review process;	Establish a biennial budget, and reestablish authority of Congressional committees. (Thesis p. 58)
7. Inefficiencies in the force development and acquisition areas;	Implementation of several effectiveness and efficiency related programs. (Thesis p. 70)
8. Inability of JCS as a body to provide worthwhile information due to the dual-hat conflict;	Make the Chairman-JCS the single military advisor. (Thesis p. 23)
9. Mediocre recommendation/advice due to the committee system;	Chairman provide SECDEF dissenting Service views on issues where strong disagreement exists. (Thesis p. 28)

In seeking to correct these problems, this paper is not condemning the present system. Nor is it advocating that the system is out of control or unworkable. Thirty plus years of performance have proven the system does work. However, thirty plus years of observation of that system have additionally identified areas where the working system can be made more efficient and effective.

The first seven problem areas are tangible or reachable because they can be dealt with without stepping on too many toes. Reducing the size of a staff here, adding an under secretary there, changing the format of a policy document are all changes well within the reach of those currently in positions of authority within those organizations. This is not to belittle these recommendations. They are well-founded, and worthy of implementation. Additionally, they will, without question, meet some opposition during implementation and Congressional approval (where required). However, they are attainable because they are "nibbling" at the edges rather than dramatic changes in the total system. It is possible to make these changes and make them without significant debate involving the roots of the military structure.

The remaining two problem areas are of a different nature. These last two problems strike at the heart of how the military structure is designed. In proposing a change in these areas, a plethora of logical, rational, irrational and emotional debate is unleashed. They are unleashed from all directions. To some, these questions are basic and need to be addressed, and their problems corrected through significant structural change. To others, the questions are so absurd as to not warrant addressing.

The question of making the Chairman the single advisor to his superiors as well as separating OJCS to work for the Chairman alone, must be viewed from the perspective of what

is mandated by law for the organization, and what would be gained or lost by changing that law if it were decided to do so. The JCS organization is directed to view issues from a joint perspective. At present, all of the Chiefs feel they have significant input into what is being presented as advice to their JCS superiors. Under the current structure, each has a vote, and each may voice his views, and most importantly, will voice his views through the currently established channels. The Chiefs are all presently forced to think "jointly".

If the Chairman and the Joint Staff are separated, such that there are clear lines of division between OJCS and the Service Chiefs (i.e. full direction of OJCS coming from the Chairman and the Chairman alone), the methodology of "joint" thinking will be pushed farther away, as each Service Chief withdraws into his own Service, becoming even more protectionist. This paper is not suggesting that there is a lack of protectionism in the present system. Infact, it should be clear that present protectionist thinking is one of the key problems in this debate. There is currently too much of it. The problem suggested is that of creating the potential for even greater protectionism and complete lack (as opposed to a partial lack) of joint thinking. Creating professional and emotional fissures between the Chairman and the Service Chiefs will not assist in building a better joint product, it can only make worse the present situation.

With respect to the budget process, and as has been established in previous chapters, the Joint Chiefs, as a body, lack credibility. They lack credibility because their product tends to be a mushy product that all can agree on. This is partly because of the committee system, and partly because of conflicting loyalties between their roles as Joint Chiefs and their roles as the leaders of their respective services. They lack credibility in Congress

because the Chairman is ill-prepared to defend the activities of the military with solid accurate data. He is also ill-prepared to challenge any data submitted by any of the Services.²⁷

The need to strengthen the Chairman is obvious. By separating him even further from the Service Chiefs by making him the single military advisor as well as separating the Joint Staff, prevents at best, and perhaps destroys, any form of joint thinking which may come from the Chiefs in their current structure. As was seen earlier, some of the major problems of the paper process were corrected not by changing the JCS organization. They were corrected by changing the paper process itself. SPRAA treated the cause rather than the effect. This in itself may be a lesson in dealing with the issue of the position of the Chairman. It may be best to deal with the Chairman's position in its current form, rather than changing the structure of the organization.

The SPRAA organization is one method by which his position may be strengthened, but without the expense of negating joint thought, or reorganizing the military structure. This is not to suggest that SPRAA is the panacea. It obviously is not. It is, however, one more significant step in improving the organization.

The revision of the paper shuffling process, and the creation of an internal evaluative organization (SPRAA), are two very positive examples of improving the organization's present structure in-house without starting from scratch. The Chairman's role, as currently structured is workable, and can potentially be improved even further. It will require continued analysis.

²⁷This is not a function currently given to the Chairman. He is not presently charged under Title 10 to independently assess the value or accuracy of data or issues submitted by a Service.

The proposals of the Center for Strategic and International Studies present some (though not all) unique and workable solutions. The combination of SPRAA and the other recommendations mentioned above, gives the Joint Chiefs' organization the greatest potential for increased effectiveness and credibility, resulting in potentially greatly enhancing JCS influence in the policy-making process. In sum, the JCS organization needs to be strengthened, not disbanded.

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